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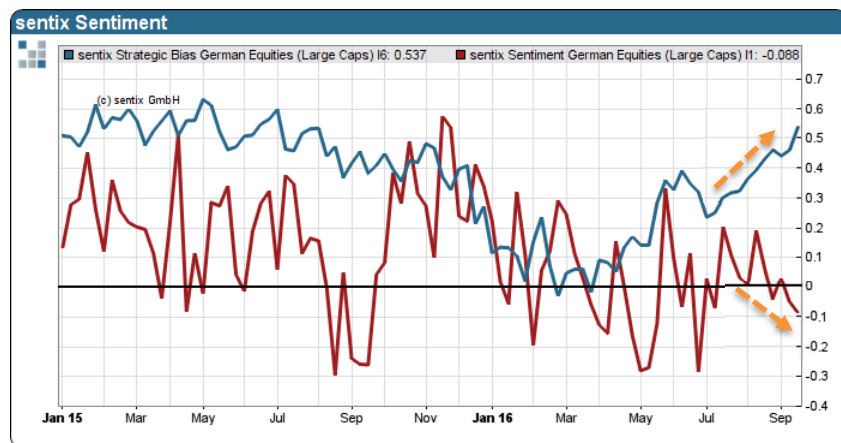
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Confidence in German equities at annual high

Confidence in German equities jumps to the highest value since a year ago. As professional investors continue to revise their expectations up, their sentiment remains dulled. Historically, the current indicator setup is a bullish sign for a positive development of the DAX stock index over the next weeks.

The latest surge of the **sentix Strategic Bias** expresses a solid confidence of professional investors in German equities (refer to the chart, blue line). As the sentix indicator measures the expectations of investors over a six-month time horizon, growing confidence among investors is usually a leading indicator of portfolio actions. The latest rise of the indicator, therefore, signals that investors start gathering on the buy-side, which is remarkable. Recently, investors sentiment was rather pessimistic (refer to the chart, red line). Whether the ECB, the FED or tumbling Deutsche Bank, the list of disappointing news is long.



A statistical analysis backs our hypothesis that in the wake of a combination of weak sentiment and surging Bias the stock market gains: comparable setups in the German stock index DAX have yielded more than 7% over ten weeks after the signal had been triggered. Therefore, the odds for a golden autumn at the German stock market are favourable.



Background

The **sentix Sentiment** indices, which capture investors' 1-month expectations for a broad range of financial markets, are calculated on a weekly basis since 2001 as part of the sentix Global Investor Survey. The sentix sentiment reflects human emotions – between greed and fear – of market participants. Negative sentiment extremes are usually a straight indication for rising prices. High optimism, in contrast, may be a warning signal for an upcoming market consolidation. A sentiment divergence mostly indicates more important turning points.

The **sentix Strategic Bias** (investors' six-month market confidence) is conducted on a weekly basis since 2001 as part of the sentix Global Investor Survey. It reflects the strategic view of market participants as well as their fundamental convictions and perceptions of value for a given market. As this indicator represents investors' general willingness to buy or sell it should not be interpreted as a contrarian signal. Rather it is usually leading the market by several weeks.

The latest sentix Global Investor Survey was conducted from 15-September to 17-September-2016. 1012 individual and institutional investors took part in it.

About sentix

sentix is the pioneer and leading provider of sentiment analyses (behavioural finance) in Europe. Since 2001 sentix surveys on a weekly basis around 5,000 investors from over 20 countries (comprising over 1,000 institutional and almost 4,000 individual investors) about their expectations for financial markets as well as for economic developments and their portfolio actions. The sentix survey results are representative of a broadly diversified group of investors.

sentix surveys offer the rare combination of a vast number of participants, high quality and an outstanding speed with which information is gathered and passed on. All sentix indices are regularly accessible for sentix data clients just about one day after the close of each poll – via the sentix website or Bloomberg. sentix clients thus can use sentix data almost in real time to further improve performance.

sentix GmbH was founded in 2001 and today represents the basis for all the services the sentix group offers to its clients in the field of Behavioral Finance.



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