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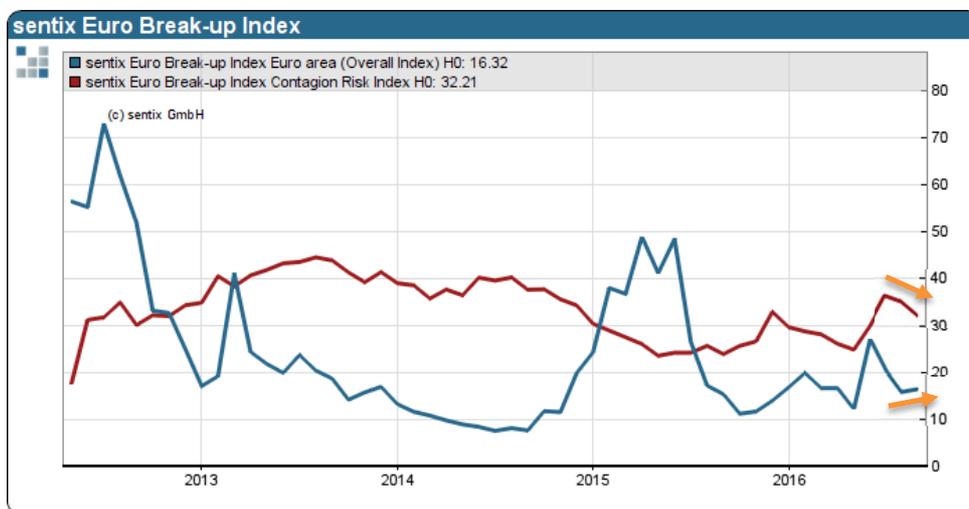
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Euro Break-up Index: Mediterranean tensions

The fragile condition of the Eurozone has not improved in comparison to previous months. The September results draw a gloomy picture. The sentix Euro Break-up Index (EBI) for the Eurozone rises to 16.3 points, while in the meantime contagion risks have slightly fallen. Especially the situation of the Portuguese and Greek economy continues to cause worries with investors.

Even in September 2016, the threat of a Eurozone collapse is not entirely averted. While investors sense a significant lower contagion risk (the sentix indicator which measures the risk that the crisis spreads to other economies fell by -3 points), the sentix Euro Break-up Index could not deliver the further sign of easing. Quite contrary to expectations, the risk that a member country quits the single currency has slightly increased by +0.6 points in comparison to the previous month.

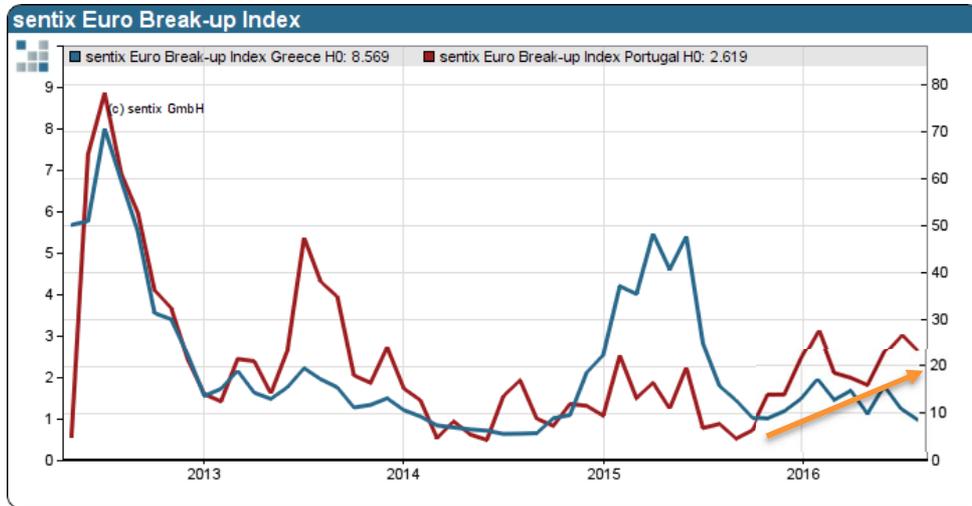


sentix Euro Break-up Index and sentix Contagion Risk Index

The positive news first: the sentix sub-indicators for the Netherlands, Austria and Finland have entirely recovered from the "Brexit" induced Break-up risks. However, the spotlight has turned back to Greece and Portugal. Recently, the International Monetary Fund has issued rather gloomy statements for both economies. The IMF believes that the cancellation of sovereign debt is almost inevitable for Greece. Moreover, the IMF sees more and more the necessity for a second bailout for Portugal. However, the threat that investors treat Portugal again as an exit candidate is clearly visible in the sentix Break-up index for Portugal (refer to chart 2, red line). The indicator has consistently increased from 0.5 to 3.1 points since August 2015. Unfortunately, the situation could deteriorate in October. Should the Canadian rating agency



DBRS withdraw its investment-grade rating of Portuguese sovereign bonds, the ECB is according to the current asset buying regime not eligible to purchase any more.



sentix Euro Break-up Index Greece and Portugal

According to the sentix indicators, an end of the euro crisis is not in sight.



Background

The sentix Euro Breakup Index is published on a monthly basis and was launched in June 2012. Its poll is running for two days around the fourth Friday of each month. Results are regularly published on the following Tuesday morning. Survey participants may choose up to three euro-zone member states of which they think they will quit the currency union within the next twelve months. Further details on the sentix Euro Breakup Index can be found on <http://ebr.sentix.de>.

This month's reading of 16.3% means that currently, this percentage of all surveyed investors expect the euro to break up within the next twelve months. The EBI has reached its high at 73% in July 2012 and touched its low at 7.6% in July 2014.

The current poll in which 1050 individual and institutional investors participated was conducted from 22-September to 24-September-2016.

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 1,100 institutional and almost 4,500 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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