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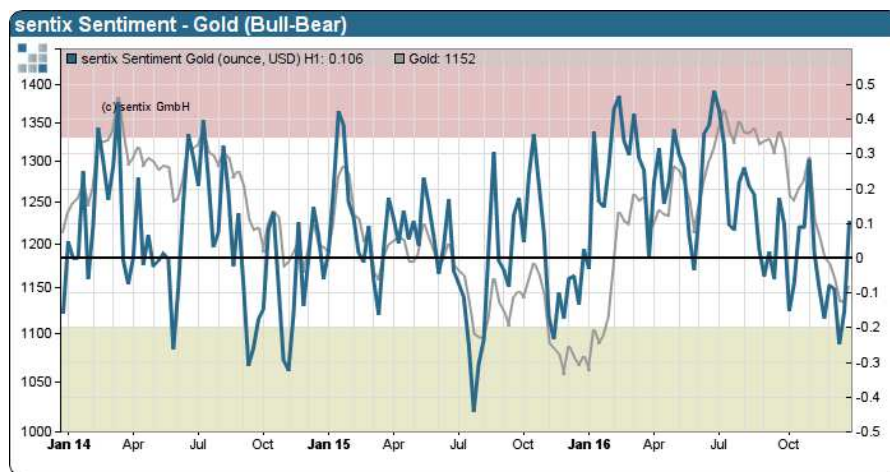
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False hope

For the first time since the US election, the sentix Sentiment for the precious metal gold turns positive. The rapid built up of positive attitude, however, is counterproductive for further price increases.

As selling pressure eases up, the price for the precious metal gold recovers— at least moderately. Hence, investors sentiment brightens significantly in comparison to mid of December. Lately, only 18% of survey participants indicate that they are “bearish” (pessimistic) towards the yellow metal. A fortnight earlier in December roughly 41% of participants expressed their bearish sentiment. Usually a favourable indication. However, during the same time the share of “bullish” (optimistic) market participants has nearly doubled from 14% to 28%.



Technically, strong sentiment surges limit the upside potential of markets. Based on our statistics investors can expect a merely 1.5% increase over the next four to 16 weeks, on average. We currently do not yet reckon with a durable turnaround. Investors still show only comparably low levels of conviction in gold. Also, based on positioning data provided by the CFTC, investors' portfolio rebalancing still lags investors' market view.

Hence, we expect that it is going to take some time until market participants witness a new gold bull market.



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 latest sentix Global Investor Survey was conducted from 29-December to 31-December-2016 with 947 retail and institutional investors.

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 Behavioural Finance.



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