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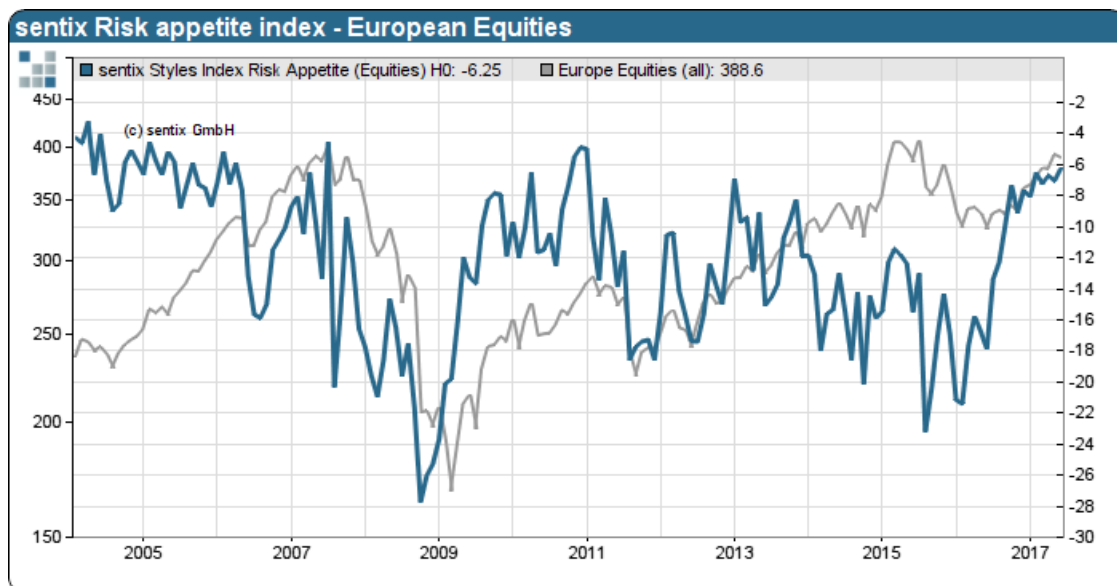
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High appetite for risk in equity markets

Investors continue to show a relatively high appetite for risk in equities. This statement means less absolute positioning levels in stocks, but the structure and pattern of action. Above all, equities of small companies are still favoured by investors, and price gains are increasingly being used as an investment objective. In addition, investors are acting increasingly pro-cyclical.

The sentix index for risk appetite of investors assesses the investor behavior in the equity market in relation to the willingness to take risks. Investors can take risks not only by the extent of their equity exposure but also by the structure. The current survey shows that the risk appetite again rose slightly in June. The reason for this is that with the end of the dividend period in Europe, the motto "price gains" is coming more strongly into the foreground. In addition, investors are making an increasingly pro-cyclical move towards the prevailing trend. Investors' interest in smaller companies remains high. This focus on "small caps" is also a sign of risk-taking.



sentix Styles Index – Risk appetite European Equities

In the past, a high level of risk-taking has often been a harbinger for corrections. This time the response may be delayed as investors are only "average" invested in absolute terms and the alternatives are missing for many investors on the face of the zero-interest rate environment.



Background

The sentix Styles Index for Risk Appetite in Equities is a monthly survey based indicator estimating survey participants risk appetite for stocks. The indicator is effectively a composite index of investors preference for a asset style and class. Very negative values represent a low-risk appetite whereas higher values represent stronger appetite for risk. In theory, investors favouring value oriented over growth strategies have on average a reduced preference for taking risky bets. Moreover, investors found of small caps tend to be more willing to risk capital than those investing solely in large cap stocks. Hence, investors' appetite for risk is not only a function of the degree of portfolio investment but also a function of investment style and class.

The latest sentix Global Investor Survey was conducted from 15-June to 17-June-2017 with 1.095 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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