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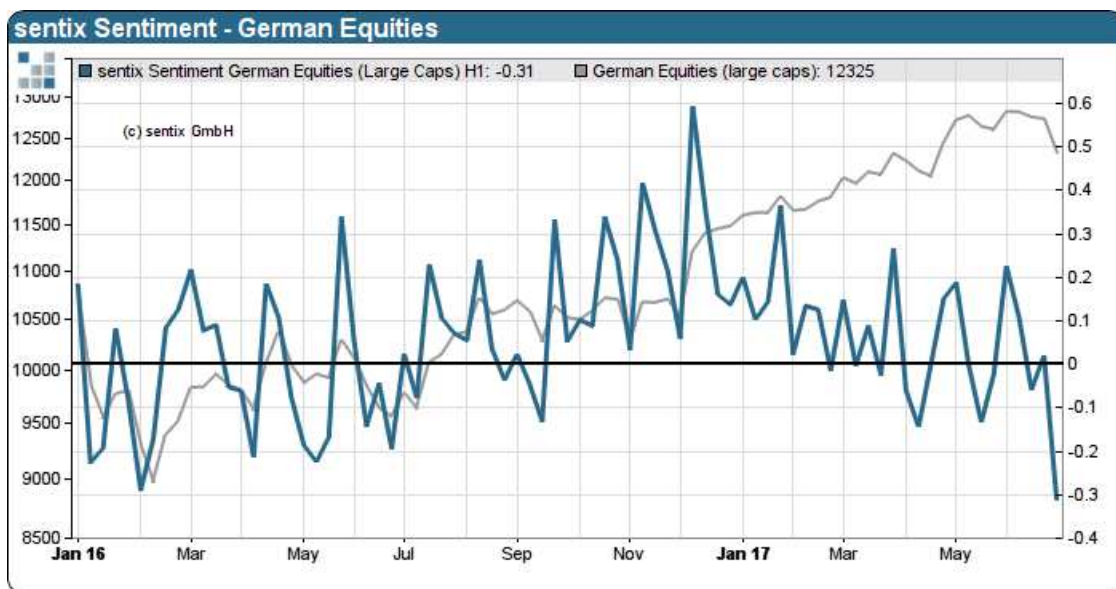
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Investors show emotions

After investors have shown comparatively unemotional results in recent months, this has changed in the recent sentix investor survey. Sentiment on German equities has suffered a dignified downturn and has fallen to its lowest level since February 2016. The uncertainty about whether and how a return of the expansive monetary policy is going to have been the trigger. However, this scepticism is rather favourable for the stock market perspectives.

The correction on the German stock market in the last week of 3.2% has fueled the investor's emotions for the first time in a long time. The sentix sentiment barometer for the German stock market is clear and reaches its lowest level in more than one year at -0.31 (on a scale of -1 to +1). At the same time, the sentix investors asked to have further reduced their risk level in the portfolio.



sentix Sentiment – German Equities

Investors thus react to ECB comments which indicate that the future monetary policy will be less expansive than before. As the sentix thematic barometer has already shown in recent months, this is not a surprising development for investors. However, the memory of the price corrections of 2013, when the FED changed its monetary course, has a disturbing effect on the investors.



From the point of view of sentiment analysis, the current sentiment development must be assessed positively. On average, German equities gained 4.9% for a hit rate (number of paths with a positive result) of 83%. On average, the 16% increase was 8.3% with a 75% positive result.

The downside of this sentiment constellation, which is, in principle, interesting is that, due to the rapid break-in of the sentiment, which is like a negative sentiment impulse, it is not immediately possible to calculate fast price gains. Rather, the statistical studies show that it takes an average of two more weeks until the basis for a recovery is laid. Investors who want to use the current low sentiment also need patience.

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 22-June to 24-June-2017 with about 1.100 retail and institutional investors participating.

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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