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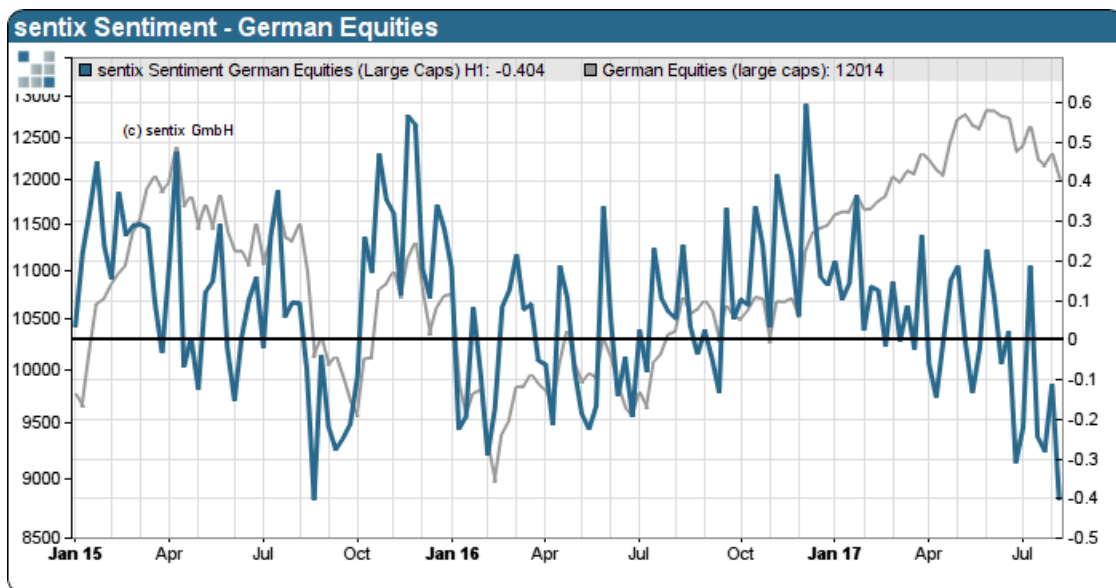
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Equity sentiment on panic levels

The slap-bangling of the two conspicuous presidents Donald Trump and Kim Jong Un has massively clouded the mood on the markets. The sentix sentiment has fallen to the lowest level for two years in important markets. Contrarians stop, because such a bad mood promises a positive price outlook. Is 2017 the history of 2013?

What do the years 2013 and 2017 have in common? In both years, a new Bundestag was elected in Germany. In both years, North Korea with its atomic muscle games caused concern. And - last but not least - in both years there was a negative sentiment extreme in August.



sentix Sentiment – German Equities

In contrast to 2013, however, we do not know yet in 2017 whether the peak of the Korean conflict with the past week has passed. Statistically, such low sentiment values are linked with positive earnings expectations for the stock market. This is particularly true when a 10 to 16-week investment horizon is assumed. On a 4 to 6 weeks horizon, a second low is not uncommon (for example, last in 2015).

At the same time, the strategic bias is also favorable, while recent economic data are weaker than in 2013, for example.



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 10-August to 12-August-2017 with about 1.000 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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