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expertise in behavioral finance

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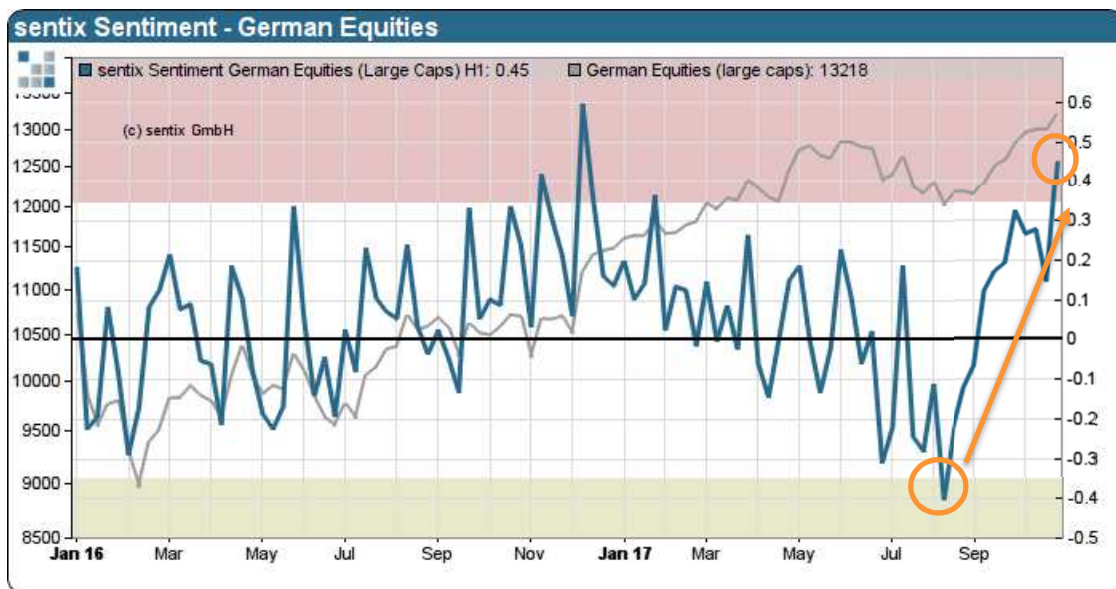
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## Very good sentiment on the stock market

How much the world can change for investors within two months! In the middle of August, we had still measured panic among the investors. Two months later, the mood has changed completely. Now there is almost a euphoric sentiment. In August, the (still unresolved) North Korean conflict was in the center of consideration, now it is the prospect of a further expansive monetary policy and the robust economy that the investor is concerned with.

Panic-level sentiment is usually a promising opportunity for investors to take advantage of the "sentiment value" of the market. So also, this time. The bad mood went down with a low and since then the German stock index has laid a brilliant rally. The average 6% yield, which follows a negative sentiment signal, was even significantly exceeded.



sentix Sentiment – German Equities

The outlook for earnings looks completely different in the case of an optimistic sentiment picture. A jubilation mood does not necessarily mean a price collapse. Investors should not expect positive net yields in the next four weeks. And this, although now the seasonally good phase begins. Whether it comes to an end-of-year rally, decides on the further course of the strategic bias. This is still relatively robust, but is currently weakening. This should not continue if up to Christmas still price gains should follow.



## 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 26-October to 28-October-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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