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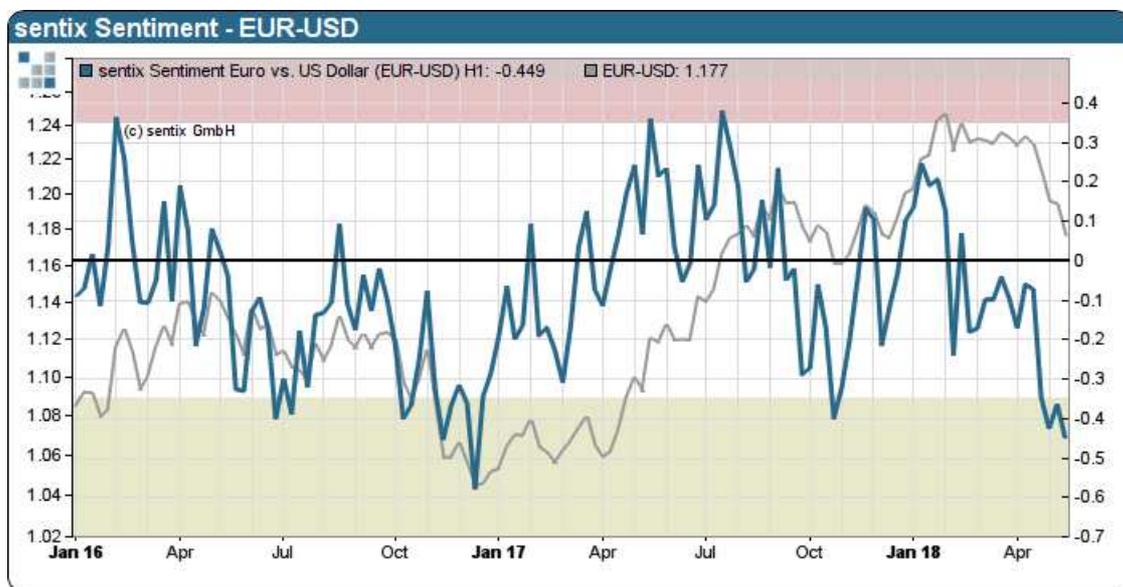
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Sentiment comeback of the US dollar

The US dollar has made a respectable comeback in the last four weeks. Against the euro, the greenback appreciated by around 6 cents and also strengthened against the Japanese yen. This has significantly changed the mood, as measured by the sentix sentiment. In the short term, investors are not as bullish for the dollar as they have been since the end of 2016.

The sentiment for the US dollar has fallen to its lowest level since the end of 2016. With a value of -44% the bears clearly outweigh the bulls in the sentix survey. This makes a countermove more likely after the sharp EUR-USD losses in the last four weeks. If the mood is so one-sidedly negative, in the past there have often only been short-term counter-reactions in the price.



sentix Sentiment – EUR-USD

Nevertheless, a general turnaround pro Euro is not to be expected. While there has been a significant shift in sentiment, the same is by no means true of investor positioning. This is signaled by the data on the US futures exchanges. Investors are losing twice as much on their still high Euro long positions: on the one hand due to the EUR-USD correction, and on the other hand due to the relatively high hedging costs resulting from the high interest rate differential between the USA and the Euro zone. We therefore believe that the strategic price target is 1.14/1.15 rather than 1.17.



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 17-May to 19-May-2018 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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