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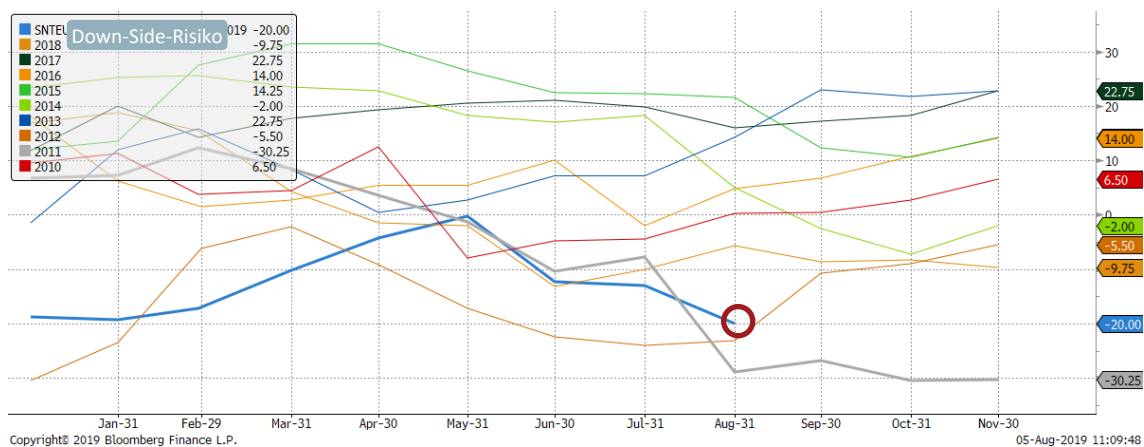
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Mixture of rubber band, medicinal herbs & paralysis reminds of 2011

Do you remember summer 2011? Back then, economic indicators and the stock market went their separate ways for many months. Within a few trading days, the whole thing turned into a summer crash. In 2019, too, such a gap opened up - more than ever. Investors are fully committed to the auxiliary factor of central bank money and trust in the power of Draghis and Powels medicinal herbs. But the economy continues to slide, the latest sentix economic indicators from the beginning of August even show an acceleration in the downward strudel - and that worldwide!

The current situation values in particular show that the spectre of recession is just around the corner. The figure is negative again for the first time since February 2015, and expectations for the future do not give the all-clear at -20 points. Last year, a number of economists merely dismissed the deterioration as a "mood correction". At the current periphery, the deterioration is only to be seen in the manufacturing sector and is referred to as a "recession in the manufacturing sector". The service sector is excluded, a big mistake from our point of view! If the sentix economic index, as the earliest leading indicator, falls so sharply, this means sustained pressure on all other leading indicators. It is to be expected that the economic signals will weaken more strongly in August and follow the sentix guideline.

The following comparison of sentix's economic expectations for the Euro zone over the past 10 years shows just how stretched the rubber band of the economy and the stock market is. The expectations are reminiscent of the years 2012 and 2011, both periods that were stressful for the stock markets.



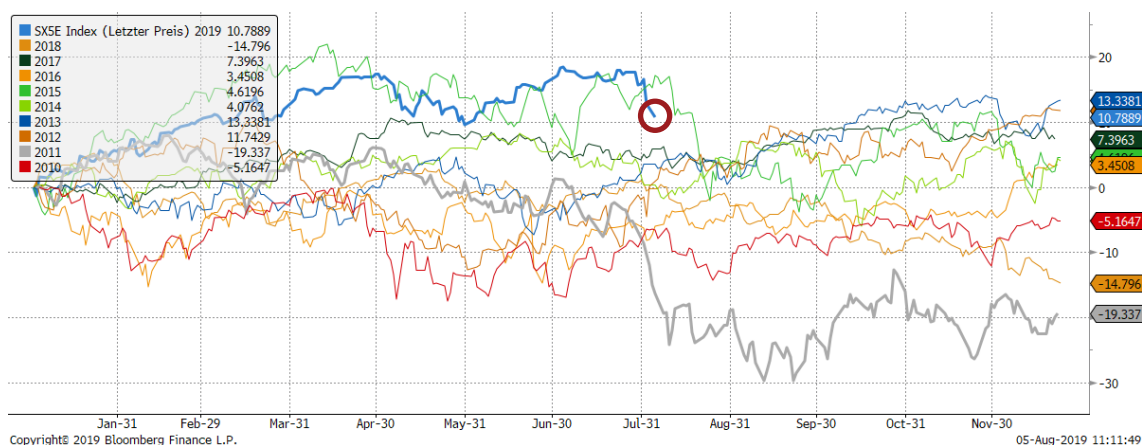
sentix economic index Euro area – expectations / comparison of years 2010 to 2019
Up-Side Risiko

Let us now look at what the stock market has done in these years. The Euro Stoxx 50, indexed at year-end, has meanwhile achieved the best (!) performance of all the years presented. Is it dawning now? And how do investors react? At the end



of July, they even increased their equity quotas, and the institutional investors have conquered their benchmark. As if in a state of shock, they are now watching the stock market go about its business, as the aim is to avoid being shown the way it was at the end of 2018 by selling their stock positions at an inopportune time.

The sentiment for equities is going down this weekend, which is usually a classic anticyclical buy signal. However, we know that the market low often occurs 2 to 10 trading days after such a negative sentiment extreme. If the diagnosis is correct that investors are literally "paralyzed" and want to sit out the price declines, things could get rough again this year. The summer of 2011 will provide some wonderful illustrative material.



Euro Stoxx 50, indexed at year-end - 2010 up to 2019



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