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sentix Economic Index: Eurozone cooling, global stabilisation

- The **sentix Economic Index for the Eurozone continues to fall in March 2016**. The overall index loses 0.5 points to +5.5 points.
- Overall Eurozone decline is **caused by a deteriorating current situation** (value down by 2.2 points) whereas **expectation value advances by 1.3 points**.
- The global perspective gives more reasons to cheer: values for **Asia ex. Japan gain the second month in a row**. **US economy exhibits resilience as current situation value increases by 4.75 points to 21.75 points**. Overall US index rises to 5.8 points.

Statistics

Poll running: **03.03.-05.03.2016**

Survey participants: **1.102 investors**
(of which institutional investors: **273**)

Current economic regimes* of countries /regions in focus:

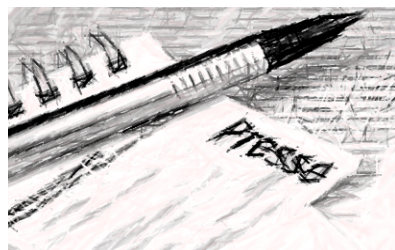
Region / country	Regime	Region / country	Regime
Eurozone	slight upturn	USA	cooling
Germany	upturn	Japan	slight downturn
Switzerland	slight upturn	Asia ex Japan	slight upturn
Austria	upturn	Latin America	downturn
Eastern Europe	downturn	Global Aggregate	stagnation

* The regimes – ranging from recession to boom – are derived from the sentix Economic Indices according to the principle of the “economy clock” (see annotation on penultimate page). They reflect investors’ perceptions of different economies. These perceptions are the basis for investors’ behaviour, i.e. their asset allocation, and are thus relevant for financial markets. They are historically close to actual economic activities but need not necessarily be identical.

Results for the Eurozone economy: March 2016

Euro area	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
Overall Index	11.7	15.1	15.7	9.6	6.0	5.5
Headline Index						
- Current situation	13.0	16.0	13.5	13.0	10.5	8.3
- Expectations	10.5	14.3	18.0	6.3	1.5	2.8

Lowest since
April 15



Commentary on the survey results for March 2016

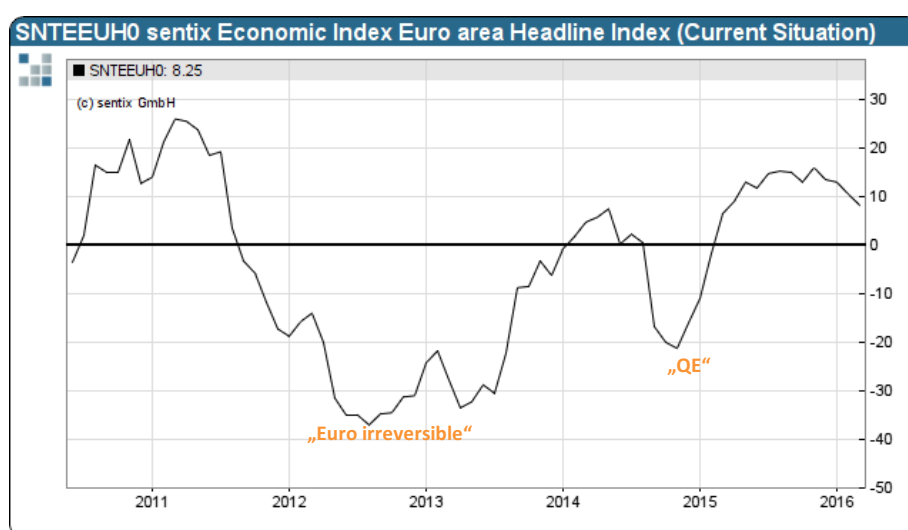
Eurozone cooling, global stabilisation

The sentix Economic Index for the Eurozone continues to fall in March 2016. The overall index loses 0.5 points to +5.5 points. The overall Eurozone decline is caused by a deteriorating current situation (the value is down by 2.2 points) whereas the expectation value advances by 1.3 points. A look abroad gives more reasons to cheer this time: values for Asia ex. Japan could recover the second month in a row. Moreover, the US economy exhibits resilience in March as the current situation value rises to 21.75 points (up by 4.75 points). In total, the overall US index rises to 5.8 points. Moreover, the global index finally gains ground on the back of a recovery in Asia ex. Japan, Eastern Europe as well as in Latin-America.

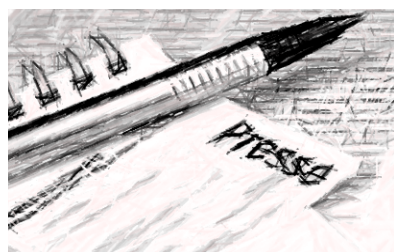
Eurozone's cooling should bolster dovish central banker

The Eurozone suffers from the loss of economic momentum of the global economy. The overall sentix Economic Index for the Eurozone stagnates at 5.5 points in March. Reasons for Eurozone's malaise are visible in investors assessment of the current situation. The value drops by about 2.2 points, below the April 2015 level. The graph below exhibits the tipping over pattern of the current situation values.

Especially the deterioration of investors' perspective on the current situation in the Eurozone should resupply dovish members of the ECB council with enough ammunition to demand significantly more expansive monetary stimulus on Thursday's ECB meeting. After investors have already shown a wobblier stance over future economic outlook, as expectation values have deteriorated in the previous months, the economy finally starts to feel investors' worries. The impulse of the current QE wanes and central bankers' need for action seems to be immanent. However, the sentix data set for the Eurozone reveals a gleam of hope: investors' expectations are slowly turning against the negative trend as expectation values gain + 1.3 points in March.



sentix Economic Index, Euro area: current situation



USA – current situation improves

After February's decline, the overall index shows strength in March. The index rises by 5.8 points and thus stops the previous trend of three consecutive declines. Investors certify the US economy robustness; the current situation index gains 3.8 points. In addition, economic expectations can successfully halt the negative trend. Although the index still shows a negative sign, the monthly increase of 6.8 points, however, again raises the probability of yet another rate hike in the US later the year. Overall, the US economy tries to fight off the imminent danger of a recession, fuelling speculations on a rising US dollar.

USA	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
Overall Index	16.4	20.8	18.8	9.6	3.7	9.5
Headline Index						
- Current situation	31.5	35.5	33.0	26.5	17.0	21.8
- Expectations	2.3	7.0	5.5	-6.0	-8.8	-2.0

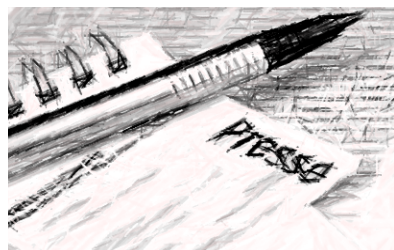
Global trend– Asia shifts with emerging markets on the coat-trails

The sentix Economic Index for Asia ex. Japan, which is dominated by the Chinese economy, rises in March for the second time in a row. Both, the current situation as well as expectations gain more than 5 points to advance into positive territory. However, it is still too early to give the all-clear as both indices are still lower than the values of December 2015. On the positive side, investors belief that the regions Eastern Europe and Latin America have improved economically over the last month which could translate into a positive feedback on commodity markets.

Asia ex Japan	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
Overall Index	-0.4	9.9	8.5	-7.6	-4.3	1.5
Headline Index						
- Current situation	-2.5	9.3	6.3	-6.8	-3.8	1.3
- Expectations	1.8	10.5	10.8	-8.5	-4.8	1.8

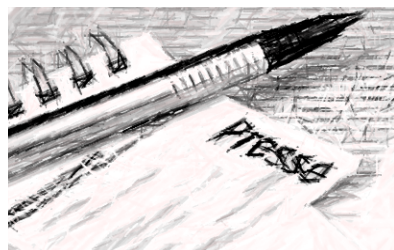
Overall, the global economy benefits from positive developments in emerging markets and in the US economy.

Global Aggregate	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
Overall Index	3.0	9.5	8.5	-1.6	-3.6	0.5
Headline Index						
- Current situation	4.4	11.1	8.5	1.9	-1.2	1.6
- Expectations	1.7	7.8	8.5	-5.0	-5.9	-0.5



More tables

Germany	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
Overall Index	17.8	20.1	22.7	18.1	14.5	16.9
Headline Index						
- Current situation	35.1	36.4	36.4	35.6	33.0	33.3
- Expectations	1.8	5.0	9.7	1.8	-2.6	1.7
Switzerland	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
Overall Index	5.5	10.2	-2.5	1.4	5.0	5.4
Austria	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
Overall Index	6.7	-0.6	9.6	2.1	6.2	13.1
Japan	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
Overall Index	-2.5	3.9	2.9	-3.0	-6.9	-6.3
Headline Index						
- Current situation	-2.5	4.3	-0.3	-0.3	-6.5	-8.3
- Expectations	-2.5	3.5	6.0	-5.8	-7.3	-4.3
Eastern Europe	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
Overall Index	-12.7	-6.8	-7.1	-14.7	-17.3	-12.8
Headline Index						
- Current situation	-20.3	-14.5	-16.3	-20.8	-24.3	-20.8
- Expectations	-4.8	1.3	2.5	-8.5	-10.0	-4.5
Latin America	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
Overall Index	-26.2	-19.5	-19.7	-26.6	-28.8	-23.4
Headline Index						
- Current situation	-42.5	-35.8	-36.3	-42.8	-45.3	-41.8
- Expectations	-8.3	-1.8	-1.5	-8.8	-10.5	-3.0



Data availability

Bloomberg

FACTSET

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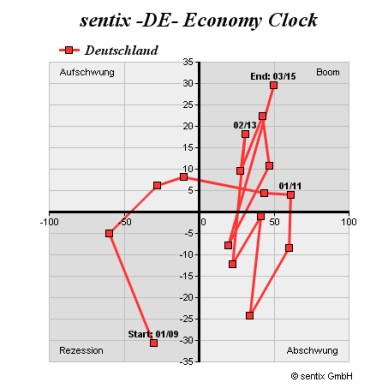
About sentix

The sentix GmbH is a Germany-based independent research institute, located in Frankfurt / Main. Founded in 2001, sentix provides analysts and investors, as well as the media and officials, with information about investors' preferences and their estimates and expectations about markets and economic trends.

Sentix is recognized in the industry as one of the leading experts in market sentiment and Behavioral Finance data. Among our clients are big fund managements groups as well as banks and independent fiduciaries. The data products are derived from the sentix Global Investor survey, to which more than 5.000 investors from 20+ countries contribute.

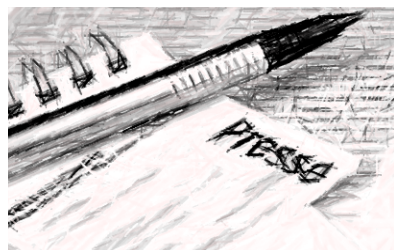
Background, methodology and more

See <http://economics.sentix.de>



The idea of the „economy clock“

The sentix economy clock shows the assessment of the current situation and investors' 6-month expectations in a x-y diagram. The assessment of the current situation is displayed on the x-axis and 6-month expectations on the y-axis. An upturn, for instance, is characterised by still negative readings for the assessment of the current situation but already positive values for investors' expectations. This is why the upturn area lies in the upper left part of the clock. The graph on the left hand side shows Germany starting in 2009 from a recession ending in 03/15 in a boom.



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