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## sentix Economic Index: The economy keeps buzzing

- The sentix headline index for the Eurozone economy increases 3.3 points in March - the highest index level in 10 years. Investors rate the current situation exceptionally favourable. The current situation index rises 3.3 points to the highest level since March 2011.
- Investors' economic expectations are on the rise for all major world regions. Therefore, last month's drop is just a temporary correction. We believe that there is no imminent threat to economic prosperity.
- Besides the positive development of advanced economies, economic momentum remains strong for the emerging markets. Even Latin America manages to gain momentum.







### Statistics

Poll running: **02 to 04-March-2017**

Survey participants: **1081 investors**

(269 of those are institutional investors)

## Current economic regimes\* of countries /regions in focus:

Region / country	Regime	Region / country	Regime
 Eurozone	boom	 USA	boom
 Germany	boom	 Japan	boom
 Switzerland	boom	Asia ex-Japan	boom
 Austria	boom	Latin America	upturn
Eastern Europe	upturn	Global Aggregate	boom

\* 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 2017

Euro area	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	
Overall Index	8.5	13.1	10.0	18.2	17.4	20.7	Highest value since 08-2007
Headline Index							
- Current situation	6.3	12.3	8.3	16.5	20.5	23.8	Highest value since 05-2011
- Expectations	10.8	14.0	11.8	20.0	14.3	17.8	



## Commentary on the survey results for March 2017

### The economy keeps buzzing

The sentix headline index for the Eurozone economy increases 3.3 points in March – the highest index level in 10 years. Investors rate the current situation exceptionally favourable. The current situation index rises 3.3 points to the highest level since March 2011. Investors' economic expectations are on the rise for all major world regions. Therefore, last month's drop is just a temporary correction. We believe that there is no imminent threat to economic prosperity. Besides the positive development of advanced economies, economic momentum remains strong for the emerging markets. Even Latin America manages to gain momentum.

### The Eurozone – closing the gap

The economy is in full swing. Fears after last month's sobering data on investors' expectations that economy recovery is fading again have dissipated (economic expectations had been severely hit in February on a global scale). The March data shows that already half of last month's throwback in economic expectations has been recovered. Moreover, investors' strong conviction on the current situation remains. The favourable review of the current situation has been an invaluable foundation of the current economic recovery as even in February investors expressed a solid view on the actual performance of the Eurozone economy. This month's increase the current situation sub-index by 3.3 points boosts not only the sub-index to a six-year high, but in combination with rising expectations, it also propels the headline index. The headline index for the Eurozone advances to 20.7 points, thus reaching the highest value since August 2007!



sentix Economic Index for the Eurozone: overall index

In comparison to the Eurozone, the German economy shows comparable momentum but on a significantly larger scale. Investors review of the current situation again brightens by 3.3 points which are in consideration of the already very positive level of the current situation sub-index a phenomenal certification of economic strength. Also, economic expectations increased 2.5 points, thus helping to boost the headline index 2.8 points. Despite that the increase of expectations for the German economy is less than those of the Eurozone, we are not surprised. It is quite normal that some investors find it hard to imagine given the already excellent situation that the economy will further improve over the course the next six month.



Germany	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17
Overall Index	27.7	29.2	27.8	33.1	31.3	34.1
Headline Index						
- Current situation	45.5	47.8	45.8	52.5	53.5	56.8
- Expectations	11.3	12.0	11.3	15.3	11.0	13.5

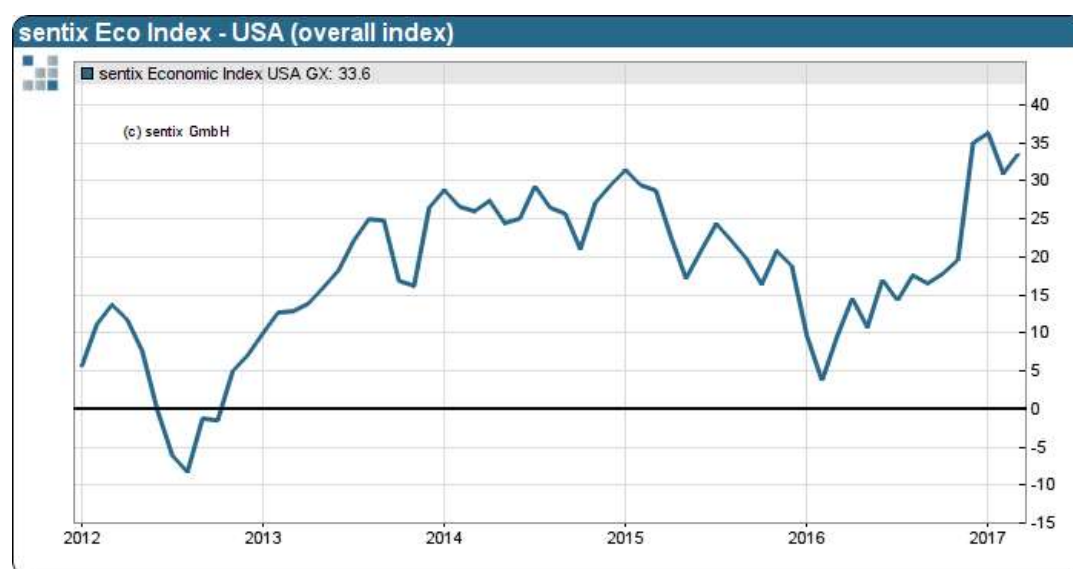
Highest value  
since 07-2011

## Robust data for Japan, the USA close to old highs

The data for the Japanese economy convinces. Investors upgrade both, their view on the current situation of the Japanese economy as well as their expectations. The current situation raises 2.8 points while expectations increase 4.8 points which prove that the Japanese economy finally can participate in the global economic recovery. Investors express that the status quo has swung back to January 2014.

Japan	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17
Overall Index	-1.3	1.3	9.0	14.7	13.2	17.0
Headline Index						
- Current situation	-6.8	-3.0	5.8	13.3	16.0	18.8
- Expectations	4.3	5.8	12.3	16.3	10.5	15.3

The Japanese economy is still far from scoring new all-time highs. Nevertheless, the US economy is close to doing so. The overall index for the US economy climbs 2.6 points in March thus, reaching an index level of 33.6 points which is the third highest on record. The US index has already an impressive winning streak of scoring three all-time highs within four months. President Trump's slogan "Make America Great Again" has worked out, at least for investors.



sentix Economic Index for the USA: overall index



USA	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17
Overall Index	17.8	19.6	35.0	36.3	31.0	33.6
Headline Index						
- Current situation	30.0	32.8	42.5	46.5	45.0	47.8
- Expectations	6.3	7.3	27.8	26.5	17.8	20.3

Highest value  
since 01-2015

## Emerging Markets – winner of the month

If there is world region deserves the title economy of the month based on March's data, then it must be the emerging markets. The Latin American economy as well as Asia ex. Japan convince not only through a strong increase in their respective overall indices but also through new highs of their economic expectations indices. The negative impact which clouded the prosperity of the Latin American economy (especially Mexico) after the election of Donald Trump loses significance. Moreover, fears that the incoming US administration will bring up trade issues with China have abated. In March, the overall index reaches a level last seen in December 2013 as all sub-indices advance.

Latin America	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17
Overall Index	-6.0	0.8	-5.0	-2.6	-0.6	3.2
Headline Index						
- Current situation	-21.5	-13.3	-21.3	-16.5	-10.8	-7.5
- Expectations	10.8	16.0	12.8	12.3	10.0	14.5

Highest value  
since 09-2014

Asia ex Japan	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17
Overall Index	19.7	22.4	20.6	21.7	19.8	24.6
Headline Index						
- Current situation	21.5	25.5	23.0	24.5	25.8	29.5
- Expectations	18.0	19.3	18.3	19.0	14.0	19.8

Highest value  
since 12-2013



## More tables

Switzerland	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17
Overall Index	18.7	13.6	15.4	20.9	18.1	19.3
Headline Index						
- Current situation	25.0	15.8	20.5	23.8	29.0	24.8
- Expectations	12.5	11.5	10.5	18.0	7.8	14.0

Austria	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17
Overall Index	6.2	3.3	6.2	21.2	19.4	20.6
Headline Index						
- Current situation	3.3	3.3	6.0	20.5	19.0	28.0
- Expectations	9.3	3.3	6.5	22.0	19.8	13.5

Eastern Europe	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17
Overall Index	-1.6	2.2	1.8	7.1	5.1	8.8
Headline Index						
- Current situation	-8.5	-4.8	-6.5	0.0	0.5	4.0
- Expectations	5.5	9.5	10.5	14.5	9.8	13.8

Global Aggregate	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17
Overall Index	11.6	14.8	17.9	21.2	18.9	22.6
Headline Index						
- Current situation	12.5	16.8	17.8	22.4	23.8	27.1
- Expectations	10.7	12.9	18.0	20.0	14.0	18.2





## Data availability

**Bloomberg**

**FACTSET**

 **THOMSON REUTERS**

**CEIC** | A Euromoney  
Institutional  
Investor Company

**Macrobond**

 **GLOBAL  
INSIGHT**

**HAVER ANALYTICS®**

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expertise in behavioral finance

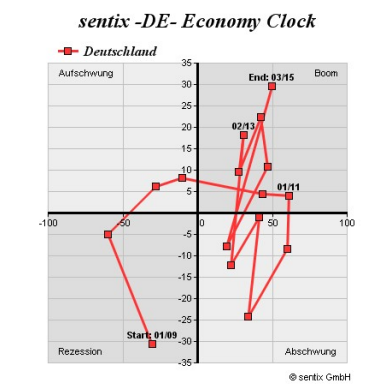
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The sentix GmbH is an independent research institute based in Frankfurt/Main, Germany. Founded in 2001, sentix provides analysts and investors, as well as the media and officials, with information about investors' preferences and their estimates and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

Sentix is recognised 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 an x-y diagram. The evaluation 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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