



Registration for the press distribution list and further information at www.sentix.co.uk



Manfred Hübner

CEFA, Managing Director

manfred.huebner@sentix.de



sentix GmbH

Wiesenhüttenstraße 17, 60329 Frankfurt am Main

Tel. +49 (69) 3487 961-0, info@sentix.de

sentix Economic Index: It gets better!







- The economic situation in the euro zone stabilized significantly in May. The overall index rises to 5.3 points, the best value since November 2018. The situation values in particular surprise positively!
- The German economy has also stabilised noticeably. Here the situation values even rise to 18.3 points and expectations for the fourth time in a row.
- Internationally, things are looking even better. From the point of view of the investors surveyed by sentix, the economic situation in Asia ex Japan has returned to boom level. The US economy also remains strong, although there are still negative expectations here due to the high situation values. Japan is also improving.

Statistics

Poll running: **2-May to 4-May, 2019**

Survey participants: **942 investors**
(**278** of those are institutional investors)

Current economic regimes* of countries /regions in focus:

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

* 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 Euro area economy: May 2019

Euro Area	Dec. 18	Jan. 19	Feb. 19	Mar. 19	Apr. 19	May. 19		
Overall index	-0.3	-1.5	-3.7	-2.2	-0.3	5.3	Highest since 11.2018	3. increase in a row
Headline Index								
- Current situation	20.0	18.0	10.8	6.3	3.8	11.0		
- Expectations	-18.8	-19.3	-17.3	-10.3	-4.3	-0.3	Highest since 03.2018	4. Increase in a row



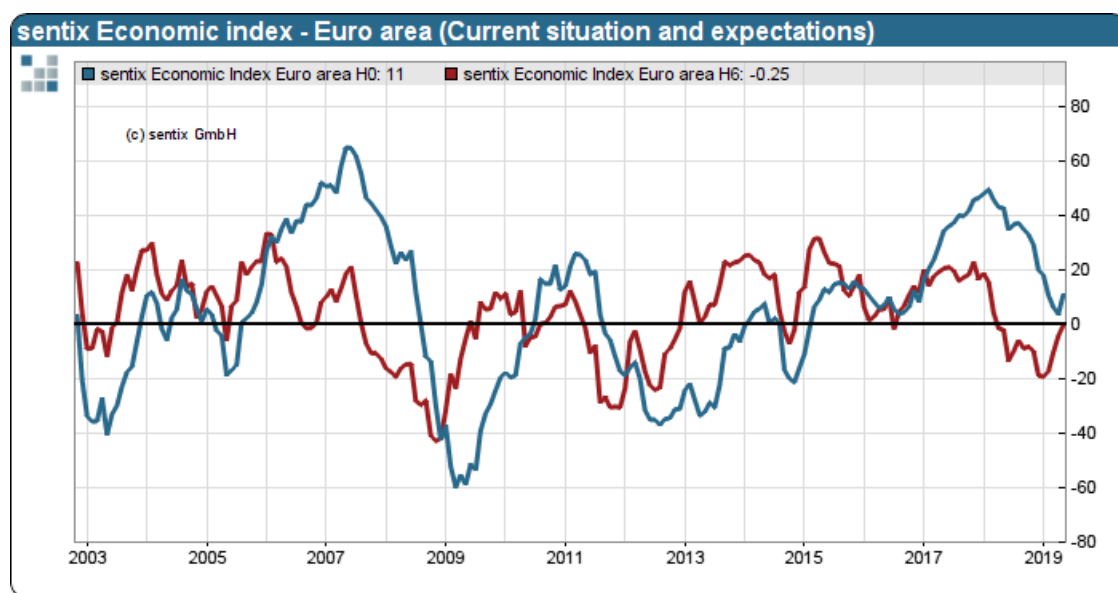
Commentary on the survey results for May 2019

It gets better!

In May, the economic situation continued to improve globally, but also in Europe. Fears of a recession are thus receding into the background, which is reflected in the improved situation values in all the regions considered. We can also report further stabilisation for the euro zone. The overall index rises to 5.3 points (from -0.3). The assessment of the situation rises from 3.8 to 11.0 points.

Euro area: Danger of recession averted

The sentix economic index for the Euro-Zone surprises with a significant rise to 5.3 points in May. This is the third consecutive increase and the highest level since November 2018. This improvement is supported by an increase in situation values, which rose from 3.8 to 11.0 points. The danger of recession is thus averted, even though the expected values are still just in the negative range. However, for the fourth time in a row expectations have improved to their highest level since March 2018.



sentix Economic Index for the Eurozone: **current situation** and **expectations**

The global environment made a significant contribution to this positive development. The Asia ex Japan region in particular, but also the US economy, are contributing to this. Now that the danger of an unregulated Brexit has been averted until at least October, these global factors can also increasingly assert themselves in Europe. This is also evident in the case of Germany. Its economy is heavily dependent on exports and development in China. The fact that something has changed here underlines the good assessment of the situation there.

The forthcoming elections in Europe will thus take place in a relaxing economic environment. For investors in the bond market, this development is less a cause for rejoicing. Bonds regularly come under pressure when the economy recovers. A look at the sentix theme indices shows that the burden from the investors' point of view is still limited. However, the index for central bank policy fell from 16.25 to 11.25 (for professionals, the index even fell from 19 to 11.5!). If the current upswing continues, the support of the central banks, on which many investors currently rely, could be in question again as early as this summer.



Germany: China is working

The German economy also showed a strong improvement in May with a total index of 7.9. Apparently, the spark from the Chinese economy, which has recovered significantly since the start of the year, is increasingly jumping over to the export-dependent German economy. The assessment of the situation rises by almost eight points to 18.3 points. Expectations improve for the fourth time in a row to the highest level in February 2018.

Germany	Dec. 18	Jan. 19	Feb. 19	Mar. 19	Apr. 19	May. 19	
Overall index	7.2	6.1	3.1	4.0	2.1	7.9	Highest since 11.2018
Headline Index							
- Current situation	36.3	34.8	25.8	20.0	10.5	18.3	
- Expectations	-18.3	-19.0	-17.3	-10.8	-6.0	-2.0	Highest since 02.2018 4, Increase in a row

USA: Fourth consecutive increase

The US economy remains strong. The overall index for the USA rises to 17.7 points for the fourth time in a row. The strength of the economy is shown by the situation values, which stand at 43.3 points. Expectations are still slightly negative, but with such robust situation values, a downswing scenario will recede into the background. The fundamental agreement between President Trump and the Democrats on an infrastructure investment programme thus meets a booming economy. How long can the stock and bond markets dream of a loosening of US monetary policy?

United States	Dec. 18	Jan. 19	Feb. 19	Mar. 19	Apr. 19	May. 19	
Overall index	11.0	6.6	7.4	10.4	11.8	17.7	Highest since 11.2018 4, increase in a row
Headline Index							
- Current situation	49.8	42.3	37.3	36.0	33.3	43.3	
- Expectations	-21.8	-23.8	-18.8	-12.5	-7.8	-5.3	Highest since 05.2018 4, Increase in a row

Asia ex Japan: Global locomotive

Since the Chinese government changed course and set economic policy accents, the sentix economic indices for the region have been striving upwards again. In the meantime, they have reached a boom level again. The overall index is 21.1 points. The situation values have risen to 30.5 points and expectations to 12.0 points. The latter is the highest level since February 2018. This positive momentum is now having a significant impact on the other regions of the world. Above all, export-dependent economies such as Germany and Japan are now benefiting from this improvement.

Asia ex Japan	Dec. 18	Jan. 19	Feb. 19	Mar. 19	Apr. 19	May. 19	
Overall index	7.9	5.4	9.9	15.3	16.5	21.1	Highest since 05.2018 4, increase in a row
Headline Index							
- Current situation	24.3	20.5	22.3	24.5	24.0	30.5	Highest since 08.2018
- Expectations	-7.3	-8.8	-1.8	6.5	9.3	12.0	Highest since 02.2018 4, Increase in a row



Further result tables

Japan	Dec. 18	Jan. 19	Feb. 19	Mar. 19	Apr. 19	May. 19		
Overall index	3.9	1.7	4.1	5.4	4.8	9.0	Highest since 11.2018	
Headline Index								
- Current situation	22.3	20.0	17.0	14.3	10.8	16.5		
- Expectations	-13.0	-15.0	-8.0	-3.0	-1.0	1.8	Highest since 03.2018	4. Increase in a row
Eastern Europe	Dec. 18	Jan. 19	Feb. 19	Mar. 19	Apr. 19	May. 19		
Overall index	-3.5	-3.0	-2.2	0.7	1.9	5.6	Highest since 08.2018	5. increase in a row
Headline Index								
- Current situation	6.8	7.8	6.3	6.5	4.3	9.0	Highest since 11.2018	
- Expectations	-13.3	-13.3	-10.3	-5.0	-0.5	2.3	Highest since 05.2018	4. Increase in a row
Latin America	Dec. 18	Jan. 19	Feb. 19	Mar. 19	Apr. 19	May. 19		
Overall index	-12.4	-8.3	-6.8	-3.9	-3.8	-3.4	Highest since 05.2018	5. increase in a row
Headline Index								
- Current situation	-13.0	-8.8	-8.5	-6.5	-9.0	-7.5		
- Expectations	-11.8	-7.8	-5.0	-1.3	1.5	0.8		
Global	Dec. 18	Jan. 19	Feb. 19	Mar. 19	Apr. 19	May. 19		
Overall index	4.4	2.6	4.7	8.3	9.4	14.0	Highest since 08.2018	4. increase in a row
Headline Index								
- Current situation	23.5	20.5	18.9	19.0	17.3	23.9	Highest since 11.2018	
- Expectations	-13.0	-13.8	-8.7	-1.9	1.9	4.4	Highest since 03.2018	4. Increase in a row
Switzerland	Dec. 18	Jan. 19	Feb. 19	Mar. 19	Apr. 19	May. 19		
Overall index	9.7	4.5	6.3	10.5	15.9	13.9		
Headline Index								
- Current situation	35.3	30.8	31.3	26.8	23.5	28.0		
- Expectations	-13.0	-18.8	-16.0	-4.5	8.5	0.8		
Austria	Dec. 18	Jan. 19	Feb. 19	Mar. 19	Apr. 19	May. 19		
Overall index	19.3	21.4	13.8	15.5	23.3	25.2	Highest since 10.2018	3. increase in a row
Headline Index								
- Current situation	45.8	47.0	35.3	30.5	37.5	36.3		
- Expectations	-4.3	-1.5	-5.8	1.5	10.0	14.8	Highest since 08.2018	3. Increase in a row



Data availability

Bloomberg L.P.

FACTSET



Macrobond



HAVER ANALYTICS®

sentix 
expertise in behavioral finance

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.

Background, methodology and more

Current reports and documentation: <https://www.sentix.de/index.php/en/sentix-Economic-News/>

Charts and tables: <https://www.sentix.de/index.php/en/sentix-Economic-Factsheets/economy-at-a-glance.html>



Disclaimer

Important information concerning liability, compliance, protection of investors and copyright

This information is meant only for distribution in countries in which law permits this.

This analysis is for information purposes only and (i) does not constitute or form part of any offer for sale or subscription of or solicitation of any offer to buy or subscribe for any financial, money market or investment instrument or any security, (ii) is neither intended as such an offer for sale or subscription of or solicitation of an offer to buy or subscribe for any financial, money market or investment instrument or any security nor (iii) as an advertisement thereof. The investment possibilities discussed in this report may not be suitable for certain investors depending on their specific investment objectives and time horizon or in the context of their overall financial situation. The investments discussed may fluctuate in price or value. Investors may get back less than they invested.

Changes in rates of exchange may hurt the value of investments. Furthermore, past performance is not necessarily indicative of future results. In particular, the risks associated with an investment in the financial, money market or investment instrument or security under discussion are not explained in their entirety.

We assume no liability for the information contained in this analysis. The analysis is no substitute for personal investment consultation. Even by the depicted opportunities and risks, investors must individually assess – by their personal investment strategies, the financial, legal and fiscal situation - whether an investment in the financial instruments depicted here is sensible for them. As this document is in no way a direct investment recommendation, this document or parts of it should not be used as the basis for any conclusion of the contract or any commitment to obligations of any kind. Investors are asked to contact the investment analysts of their banks for individual investment advice and other individual explanations and advice.

Neither the sentix GmbH nor any of its managing directors, employees or other persons assumes liability for losses or damages caused in connection with the use of this document or its contents.

The sentiment analysis is made available via the internet to those sentix participants of which is assumed that they do not base their investment decisions inappropriately by this analysis.

Statements or conclusions made through data or services do not include warrants or guarantees for the future market- or price changes. The opinions and assessments expressed therein can change without prior notice.

The sentix GmbH explicitly points out that both the sentix GmbH, its legal agents as well as their employees (in the following: the Involved) regularly conduct transactions in equity and other financial instruments which the data and services refer to. They do this both in their names and for their accounts as well as in the name and accounts of third parties. Should the Involved have been involved in an emission of instruments for the finance markets in the past 12 months, this is separately indicated at the corresponding place.

All rights of use for this analysis, its data and services are the property of the sentix GmbH and are copyrighted. The sentix GmbH reserves its right to inflict penalties for the unauthorised usage of data and services, especially unauthorised commercial use. Reproduction or subsequent processing of website elements, analyses, data or services in electronic, written or another form is prohibited without prior consent by the sentix GmbH. Analyses that are only available in the secure customer area may be quoted, neither in full nor in part. An exception to this are analyses, data or services which have been posted by the sentix GmbH via the press mailing list or which have been presented in another form for public propagation.

This analysis may not – either in full or in part, regardless of underlying intent – be forwarded, reproduced or published.

„sentix“ is a registered trademark of sentix Holding GmbH.

DAX, TecDAX, Xetra und Eurex have registered trademarks of the Deutsche Börse AG. Dow Jones EURO STOXX 50 is a registered trademark of the STOXX Limited. Other names of products and companies which may be mentioned on this site could also be protected or be registered trademarks of other companies.

ANALYST DECLARATION

Neither in the past, present or future is the remuneration of the author linked – either directly or indirectly – to his or her recommendations or views expressed in this context.