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sentix Economic Index: Unchanged picture

- The economic situation in the Eurozone remains difficult. The sentix overall economic index rose slightly to -25.2 points. However, this does not mean that the all-clear has been given. A recession in the Eurozone is still very likely.
- In Germany, the signs look even worse. Here, the overall index drops to -24.4 points, the lowest level since May 2020. Here, too, expectations remain negative.
- Internationally, the picture is a little more heterogeneous. Although the US has technically already slipped into recession, the assessment of the situation has risen from +1 to +8 points. Expectations are also improving. The situation is similar in Japan. In the other regions of the world, however, there is no recovery to report.

Statistics

Poll from **4th August to 6th August 2022**
Survey participants: **1,262 investors**
(**241** of those are institutional investors)

Current economic regimes* of countries /regions in focus:

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

* 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: August 2022

Euro Area	Mar. 22	Apr. 22	May. 22	Jun. 22	Jul. 22	Aug. 22
Overall index	-7.0	-18.0	-22.6	-15.8	-26.4	-25.2
Headline Index						
- Current situation	7.8	-5.5	-10.5	-7.3	-16.5	-16.3
- Expectations	-20.8	-29.8	-34.0	-24.0	-35.8	-33.8



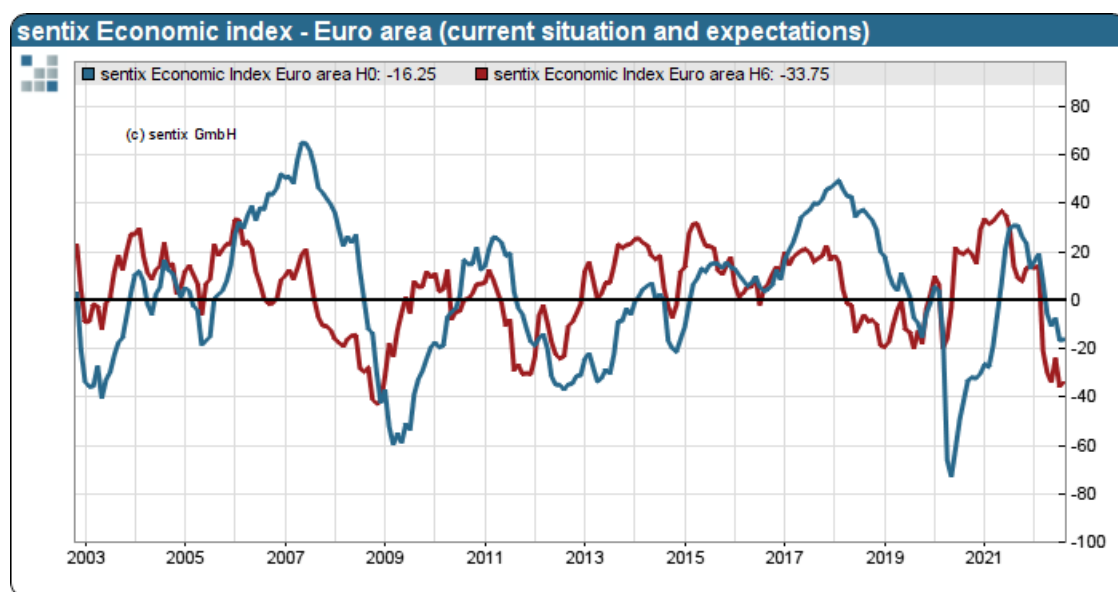
Commentary on the survey results for August 2022

Unchanged picture

The global economic situation at the beginning of August is essentially unchanged from the previous month. On the positive side, the situation and expectations have not deteriorated further. In the USA and Japan there have even been slight improvements. Nevertheless, this does not imply a fundamental change in the assessment. The expected values remain negative and thus the basic finding of an economic downturn or a foreseeable recession remains.

Euro area: Motionless in the summer heat

The sentix economic indices for the Eurozone are currently doing the same as people: they are resting and prefer to lie motionless in the shade. It is true that the overall Eurozone index improved by 1.2 points to -25.2 points. However, this does not imply a fundamentally new assessment of the economic situation. Both the situation index (-16.3 points) and the expectations index (currently -33.8 points) continue to paint a gloomy picture of the economic environment in the Eurozone. It is not surprising that neither weak consumer confidence, nor the inflation front, nor energy prices are providing any lasting positive impulses.



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

Consumer sentiment in particular is likely to be the greatest economic burden at present. Consumers are becoming more and more aware of the financial burden of high energy costs. On the one hand, energy costs are rising directly for more and more consumers (expiry of fixed prices). On the other hand, the same process is also taking place at the companies, which in turn have to pass on the increased costs.

The already emerging consumer restraint is thus likely to continue and presumably even intensify. In the long run, this will have a negative feedback effect on the economy. The economic situation is still robust, but this does not mean that the current trends are harmless. Due to the special conditions in the environment of the Corona crisis, the problems are only emerging with a very long delay. Thematically, the stress factors of inflation and central bank policy remain, so that with a view to autumn the economic omens remain negative.



Germany: Heading for recession

The sentix economic indices paint an unchanged, critical picture of the economic situation in Germany. The overall index has fallen to its lowest value since May 2020. The weakness of the economy, also in international comparison, is reflected in the renewed decline in the assessment of the situation to -14.8. This is the lowest value since February 2021. And despite this weak situation, the expectations values remain clearly in negative territory at -33.5. The economy thus remains firmly on course for recession.

Germany	Mar. 22	Apr. 22	May. 22	Jun. 22	Jul. 22	Aug. 22	
Overall index	-5.2	-17.1	-20.5	-12.8	-24.2	-24.4	Lowest since 05.2020
Headline Index							
- Current situation	10.0	-4.8	-7.3	-2.0	-13.0	-14.8	Lowest since 02.2021
- Expectations	-19.3	-28.8	-32.8	-23.0	-34.8	-33.5	

USA: Glimmer of hope?

A look at the US economic data gives some hope on the surface. This is because investors' situation and expectations for the US economy improved in August. Technically, the US economy is already in recession, as the last two quarters each brought negative growth rates. However, the current rise in the sentix indices should not already mean the end of the economic contraction phase. Only in relative terms does the US economy seem to be doing better than the rest of the world.

United States	Mar. 22	Apr. 22	May. 22	Jun. 22	Jul. 22	Aug. 22	
Overall index	11.9	6.1	-2.9	-1.0	-13.5	-6.0	
Headline Index							
- Current situation	29.8	24.5	18.0	17.0	1.0	8.0	
- Expectations	-4.5	-10.8	-21.8	-17.5	-27.0	-19.0	

Latin America: Still in troubled waters

If it looked in recent months as if the Latin American countries would be able to hold their own better against the global downturn trends, this relative advantage has already largely evaporated again in August. Situation and expectations scores remain virtually unchanged and at weak levels.

Latin America	Mar. 22	Apr. 22	May. 22	Jun. 22	Jul. 22	Aug. 22	
Overall index	-9.0	-9.8	-15.8	-14.4	-20.5	-21.0	Lowest since 11.2020
Headline Index							
- Current situation	-8.8	-8.0	-12.3	-13.5	-19.8	-19.8	
- Expectations	-9.3	-11.5	-19.3	-15.3	-21.3	-22.3	Lowest since 04.2020



Further result tables

Japan

	Mar. 22	Apr. 22	May. 22	Jun. 22	Jul. 22	Aug. 22
Overall index	4.9	-2.1	-9.8	-5.7	-13.4	-9.4
Headline Index						
- Current situation	14.5	7.8	1.0	4.0	-5.8	-0.8
- Expectations	-4.3	-11.5	-20.0	-15.0	-20.8	-17.8

Asia ex Japan

	Mar. 22	Apr. 22	May. 22	Jun. 22	Jul. 22	Aug. 22
Overall index	8.5	0.5	-9.6	-2.6	-5.5	-6.4
Headline Index						
- Current situation	17.0	8.0	-4.8	-1.5	-1.8	-1.3
- Expectations	0.3	-6.8	-14.3	-3.8	-9.3	-11.5

Eastern Europe

	Mar. 22	Apr. 22	May. 22	Jun. 22	Jul. 22	Aug. 22
Overall index	-37.4	-36.0	-38.6	-31.1	-35.6	-34.4
Headline Index						
- Current situation	-31.0	-37.3	-38.8	-33.5	-37.8	-36.5
- Expectations	-43.5	-34.8	-38.5	-28.8	-33.5	-32.3

Global

	Mar. 22	Apr. 22	May. 22	Jun. 22	Jul. 22	Aug. 22
Overall index	1.0	-5.4	-13.3	-7.9	-14.5	-13.0
Headline Index						
- Current situation	11.3	3.6	-4.8	-2.5	-8.5	-6.5
- Expectations	-8.8	-14.1	-21.5	-13.2	-20.3	-19.3

Switzerland

	Mar. 22	Apr. 22	May. 22	Jun. 22	Jul. 22	Aug. 22
Overall index	6.1	12.4	2.2	-0.4	-10.5	-8.3
Headline Index						
- Current situation	27.5	32.5	21.5	14.0	6.8	15.0
- Expectations	-13.3	-6.0	-15.5	-13.8	-26.3	-29.0

Lowest since
02.2015

Austria

	Mar. 22	Apr. 22	May. 22	Jun. 22	Jul. 22	Aug. 22
Overall index	-5.6	-11.5	-15.0	-0.5	-16.3	-7.2
Headline Index						
- Current situation	16.0	4.8	12.5	16.3	4.3	8.3
- Expectations	-25.0	-26.5	-39.0	-16.0	-34.8	-21.5



Data availability

Bloomberg L.P.

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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>



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