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sentix Economic index: Negative overtones continue to predominate

- The sentix economic index for Euroland fell once more in October by 3.1 points to -18.5 points. This is the third drop in a row and the lowest value since July 2009.
- Situational and expectational values lose on par. Especially the expectations of institutional investors slump heavily.
- The European debt crisis as well as signals of an economic calming off in Asia are the main drivers of this sentiment drop.
- Accordingly, the Global Aggregate Index drops by 2.3 points to -6.7 points. Looking at the expectational values, the Emerging Markets are the ones losing dynamic from an investor point of view.

Statistics

Survey period: **06.10.-08.10.2011**

Participants: **925**

sentix indications for upcoming market events

18.10.2011 - ZEW-Index - Current assessment remains weak, expectations may show slight recovery

21.10.2011 - ifo Index - More deterioration to be expected

At this point we will publish upcoming important market events and the expectations which can be derived from already published sentix data. **sentix – first mover advantage!**

Table of August results for Euroland-economy

Euroland	Mai 11	Jun 11	Jul 11	Aug 11	Sep 11	Okt 11
Gesamtindex	10.9	3.5	5.3	-13.5	-15.4	-18.5
Headline-Index						
Aktuelle Lage	23.75	18.50	19.25	3.50	-3.25	-5.75
Erwartungen	-1.25	-10.50	-7.75	-29.00	-26.75	-30.50
Teilindex Private						
Aktuelle Lage	23.00	17.50	19.50	2.50	-2.00	-5.00
Erwartungen	2.00	-6.50	-4.00	-26.00	-24.50	-27.00
Teilindex Institutionelle						
Aktuelle Lage	24.50	19.50	19.00	4.50	-4.50	-6.50
Erwartungen	-4.50	-14.50	-11.50	-32.00	-29.00	-34.00

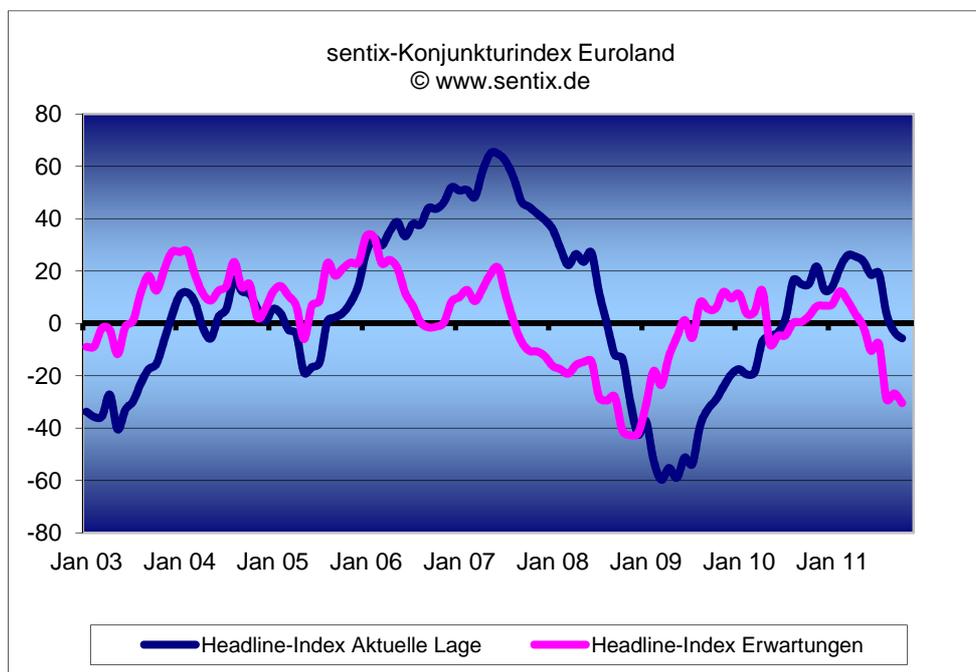


Comments on the survey results of October 2011:

Negative overtones continue to predominate

In October 2011, too, the economic signs remain negative. Both the economic index for Euroland as the global indication drop palpably. From the viewpoint of sentix participants - around 1000 investors – the unsolved European debt crisis and the weakening of the momentum in the emerging markets remain the most important driver of this development.

The sentix economic index for Euroland falls for a third time in a row in October to a value of -18.5 points. This is the lowest value since July 2009. Both sub-components, situation and expectations, are a part of this development. The situation hits -5.75, the lowest value since April 2010, and has dropped by more than 30 index points since its high in March 2011 (+26!).



From the viewpoint of sentix participants, a downturn in the real economy should be becoming visible. At -30.5, expectations are as low as last seen in January 2009 and have therefore, with only one small respite, continuously deteriorated since February 2011.

Especially the unsolved debt crisis in Europe is disconcerting to investors. On the one hand we have to worry about a new negative feedback loop to bank values, on the other, politics have 'succeeded' at boosting uncertainty so far that this now even has negative effects on the Euro itself and, with this, the risks in this field have been increased.

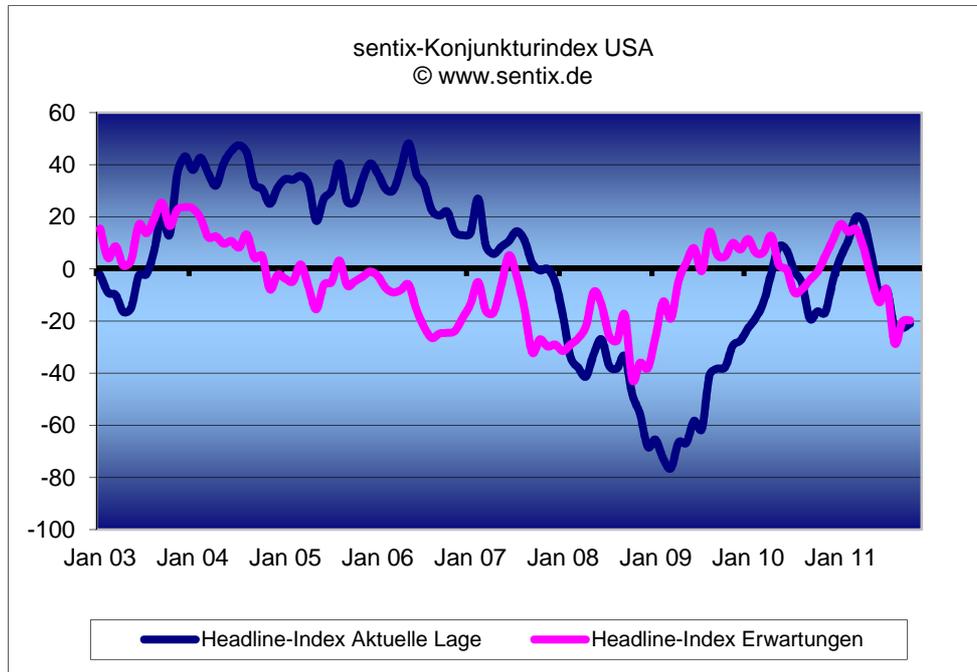
Global Dynamic has also been broken

On top of this, weakening signals from other world regions have joined in. Japan is struggling with recessive tendencies since March 2011 and cannot sustainably free itself despite tentative stabilization tendencies. For the USA, recession signals have been on the table since May, according to the sentix economic index. The total index has not deteriorated further in the past two months, on the contrary. But as long as the situational and expectation values remain negative there is no hope of a new, burgeoning boom.

At any rate, it should become rather difficult for the established economies to move into a self-sustaining boom considering unsolved debt problems. But there is currently also little positive news to be reported on the part of the upcoming economies. All world regions monitored by sentix show the same picture of a drop in economic dynamic.



Even the Asian region dominated by China drops this month by 4.5 points. Here, the expectational values are negative for the third month in a row and have hit the lowest value since January 2009!



sentix Economic indices – data tables

USA	Mai 11	Jun 11	Jul 11	Aug 11	Sep 11	Okt 11
Gesamtindex	0.8	-11.1	-8.0	-25.5	-21.5	-20.4
Headline-Index						
Aktuelle Lage	5.50	-9.50	-8.00	-22.50	-22.75	-21.00
Erwartungen	-3.75	-12.75	-8.00	-28.50	-20.25	-19.75
Teilindex Private						
Aktuelle Lage	7.50	-7.00	-6.50	-23.00	-20.50	-19.00
Erwartungen	2.00	-8.50	-5.50	-25.50	-20.00	-18.50
Teilindex Institutionelle						
Aktuelle Lage	3.50	-12.00	-9.50	-22.00	-25.00	-23.00
Erwartungen	-9.50	-17.00	-10.50	-31.50	-20.50	-21.00
Japan	Mai 11	Jun 11	Jul 11	Aug 11	Sep 11	Okt 11
Gesamtindex	-14.7	-19.0	-8.7	-12.3	-13.4	-13.1
Headline-Index						
Aktuelle Lage	-30.50	-36.00	-22.75	-15.50	-16.75	-15.00
Erwartungen	2.50	-0.25	6.50	-9.00	-10.00	-11.25
Asien ex Japan	Mai 11	Jun 11	Jul 11	Aug 11	Sep 11	Okt 11
Gesamtindex	22.5	17.9	21.8	13.4	13.7	9.2
Headline-Index						
Aktuelle Lage	45.00	38.50	44.25	39.75	35.00	31.00
Erwartungen	2.00	-1.00	1.50	-10.00	-5.75	-10.50



sentix Eco Report Indicators for the Global Economy

10. Oktober 2011

Osteuropa	Mai 11	Jun 11	Jul 11	Aug 11	Sep 11	Okt 11
Gesamtindex	15.5	10.1	14.3	3.0	1.5	-3.1
Headline-Index						
Aktuelle Lage	29.00	24.00	28.50	21.00	16.75	11.50
Erwartungen	2.75	-3.00	1.00	-13.50	-12.75	-16.75

Lateinamerika	Mai 11	Jun 11	Jul 11	Aug 11	Sep 11	Okt 11
Gesamtindex	20.3	15.9	17.6	7.1	7.6	4.4
Headline-Index						
Aktuelle Lage	40.00	35.75	38.25	29.75	25.75	23.75
Erwartungen	2.25	-2.25	-1.25	-13.25	-9.00	-13.25

Globales Aggregat	Mai 11	Jun 11	Jul 11	Aug 11	Sep 11	Okt 11
Gesamtindex	11.1	4.1	7.8	-5.0	-4.4	-6.7
Headline-Index						
Aktuelle Lage	22.8	14.7	18.7	9.8	6.3	4.6
Erwartungen	0.0	-6.0	-2.5	-18.8	-14.6	-17.4



Data availability

Bloomberg

FACTSET



sentix 
expertise in behavioral finance



About sentix

On a weekly basis, more than 3.200 registered investors (of which more than 700 are institutionals) supply us with their market assessment. Out of this data, sentix calculates sentiment indexes, which mirror the sentiment of equity markets (DAX, EuroSTOXX 50, Nikkei 225, S&P 500), bond markets (Bund-Future, US-Treasury-Future) and currencies (EUR/USD, USD/YEN). These sentiment indexes are setting the standard, held in high regard by many renowned financial players and are used by investment professionals in their analyses and investment processes. A history of more than seven years and the simple access to data via reputable data providers as well as a website document the outstanding position of sentix as the leading independent sentiment data base.

Background and methodology

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



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