



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

Mainzer Strasse 4b, 65550 Limburg/Lahn
Tel. +49 (6431) 59786-04, info@sentix.de







sentix Economic Index: How much is missing before the crisis?

- The "first mover" among the economic indicators is also in weak shape in September. The overall index for the euro zone falls again to -21.5 points. The situation score falls to its lowest level since November 2022.
- Germany remains in recession, increasingly reminiscent of the slumps after the 2008 financial crisis or the first lockdown in 2020. We measure the fifth consecutive decline in the overall index and the lowest value of -33.1 points since October 2022. Situation at lowest level since July 2020!
- Internationally, we measure a significant deterioration in the US. In Switzerland, the economy continues to slide and we are close to the recession threshold. The only bright spot remains the Japanese economy, which is benefiting relatively from the lax interest rate policy and the associated weak yen.

Statistics

Poll from **31st Aug. to 2nd Sep. 2023**
Survey participants: **1,220 investors**
(**237** of those are institutional investors)

Current economic regimes* of countries /regions in focus:

Region / country	Regime	Region / country	Regime
 Eurozone	Recession	 USA	Cooling down
 Germany	Recession	 Japan	Cooling down
 Switzerland	Downturn	Asia ex-Japan	Stagnation
 Austria	Recession	Latin America	Downturn
Eastern Europe	Recession	Global Aggregate	Slight 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: September 2023

Euro Area	Apr. 23	May. 23	Jun. 23	Jul. 23	Aug. 23	Sep. 23
Overall index	-8.7	-13.1	-17.0	-22.5	-18.9	-21.5
Headline Index						
- Current situation	-4.3	-7.0	-15.8	-20.5	-20.5	-22.0
- Expectations	-13.0	-19.0	-18.3	-24.5	-17.3	-21.0

Lowest since
11.2022



Commentary on the survey results for September 2023

How much is missing before the crisis?

The signs for the global economy sent out by the "first mover" among the economic indicators - the sentix economic index - point to a further downturn and a strengthening of the economic downturn forces. The situation in Germany remains particularly precarious. Here we are measuring the weakest situation values since July 2020, when the economy was slowed by the first Corona lockdown. Germany is also weighing heavily on the economy in the euro zone as a whole. The recession is progressing. But even for the USA, which has so far held up well and defied the restrictive FED policy, the economic data are falling markedly. The tipping point of a global recession is less distant than one might think.

Euro area: Germany pulls everyone along?!

At the beginning of September 2023, the sentix overall economic index for the eurozone drops to -21.5 points. At -22 points, the economic situation reaches its lowest value since November 2022, meaning that the economy is still in recession. Other indicators show that the recession has now also reached the service sector and is deepening. From the perspective of the investors surveyed by sentix, there is no improvement in sight. Expectations have also fallen again, from -17.3 to -21 points.

Looking at the causes, it is easy to identify the center of gravity of the problems. The German economy, by far (still) the largest economy in the euro zone, is burdening the entire currency zone with a deep recession. This poses a double problem for the ECB. The dynamics of the economy would actually justify a looser monetary policy, but in Germany, of all places, inflation is proving to be particularly stubborn.



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

Nevertheless, investors are somewhat more relaxed about inflation in the survey. Professional investors see an end to the upward trend in prices and thus the opportunity for the ECB to soon issue further interest rate hikes. However, in view of the state of the global economy, there is a question mark over whether this will be enough to trigger an economic turnaround. At least from the USA there is little good impetus.



Germany: At the center of the crisis

Germany is once again "the weak man of Europe". The complete lack of economic competence in the political leadership and the enormous uncertainties for the economy caused by the energy and electricity crisis are dragging the German economy deeper and deeper into recession. The situation values are falling to their lowest level since July 2020, i.e. they have reached "lockdown level". The only time the situation values were lower was during the great financial crisis of 2008/2009. And investors have little hope that this will change quickly, as expectations are also stagnating at around -28 points.

Germany	Apr. 23	May. 23	Jun. 23	Jul. 23	Aug. 23	Sep. 23		
Overall index	-6.9	-14.5	-21.1	-28.4	-30.7	-33.1	Lowest since 10.2022	5. decline in a row
Headline Index								
- Current situation	-2.3	-9.0	-22.0	-28.0	-35.3	-38.3	Lowest since 07.2020	5. decline in a row
- Expectations	-11.5	-19.8	-20.3	-28.8	-26.0	-27.8		

USA: The woodwork is cracking again

For months, we have been emphasizing the relative robustness of the US economy. But at the beginning of September, there was a clear crack in the woodwork again. Expectations have fallen sharply to -9 points. The assessment of the situation is still positive at +14 points. So the economy is still growing. But with monetary policy remaining restrictive and money and credit growth weak, time is working against the US economy. Stimulus from other parts of the world is also weak.

United States	Apr. 23	May. 23	Jun. 23	Jul. 23	Aug. 23	Sep. 23		
Overall index	-2.3	-6.5	-3.7	-3.7	5.1	2.2		
Headline Index								
- Current situation	8.5	5.3	5.5	7.8	16.0	14.0		
- Expectations	-12.5	-17.5	-12.5	-14.5	-5.3	-9.0		

Switzerland: At the tipping point

The Swiss economy is at a tipping point. The overall index is down sharply by 7.9 points to -5.6. This is the lowest level since November 2022. The plunge in investors' assessment of the situation from 15.5 to just 5.8 points is particularly precarious. The last time the index was this low was in March 2021. As expectations are also falling sharply, it is feared that the current downturn will also lead to a recession in Switzerland.

Switzerland	Apr. 23	May. 23	Jun. 23	Jul. 23	Aug. 23	Sep. 23		
Overall index	-1.2	-4.6	1.8	8.2	2.3	-5.6	Lowest since 11.2022	
Headline Index								
- Current situation	17.3	14.5	21.0	23.5	15.5	5.8	Lowest since 03.2021	
- Expectations	-18.0	-22.0	-15.8	-6.0	-10.0	-16.3		



Further result tables

Japan	Apr. 23	May. 23	Jun. 23	Jul. 23	Aug. 23	Sep. 23	
Overall index	-0.7	-2.1	2.1	0.4	3.5	3.5	Highest since 03.2022
Headline Index							
- Current situation	3.5	3.0	7.5	9.3	8.0	10.5	Highest since 03.2022
- Expectations	-4.8	-7.0	-3.3	-8.0	-1.0	-3.3	

Asia ex Japan	Apr. 23	May. 23	Jun. 23	Jul. 23	Aug. 23	Sep. 23	
Overall index	11.1	8.3	3.7	0.2	7.7	0.9	
Headline Index							
- Current situation	14.8	13.5	6.3	3.5	7.5	0.3	Lowest since 01.2023
- Expectations	7.5	3.3	1.3	-3.0	8.0	1.5	

Eastern Europe	Apr. 23	May. 23	Jun. 23	Jul. 23	Aug. 23	Sep. 23	
Overall index	-19.8	-21.4	-23.6	-25.7	-20.8	-22.5	
Headline Index							
- Current situation	-25.8	-24.8	-29.5	-30.0	-27.8	-28.8	
- Expectations	-13.8	-18.0	-17.5	-21.3	-13.5	-16.0	

Latin America	Apr. 23	May. 23	Jun. 23	Jul. 23	Aug. 23	Sep. 23	
Overall index	-11.5	-13.0	-13.1	-13.6	-8.4	-11.6	
Headline Index							
- Current situation	-13.8	-14.3	-16.0	-14.0	-11.0	-14.0	
- Expectations	-9.3	-11.8	-10.3	-13.3	-5.8	-9.3	

Global	Apr. 23	May. 23	Jun. 23	Jul. 23	Aug. 23	Sep. 23	
Overall index	0.0	-3.0	-5.0	-7.6	-1.0	-5.4	
Headline Index							
- Current situation	3.7	2.1	-2.6	-3.7	0.0	-3.9	Lowest since 01.2023
- Expectations	-3.6	-8.0	-7.4	-11.4	-2.1	-6.8	

Austria	Apr. 23	May. 23	Jun. 23	Jul. 23	Aug. 23	Sep. 23	
Overall index	-3.1	-5.3	-8.3	-12.6	-17.4	-13.3	
Headline Index							
- Current situation	7.0	5.3	-5.0	-10.5	-16.5	-14.0	
- Expectations	-12.8	-15.3	-11.5	-14.8	-18.3	-12.5	



Data availability

Bloomberg L.P.

FACTSET

REFINITIV™



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 6.600 investors from over 20 countries (comprising over 1.200 institutional and almost 5.400 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.