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sentix Economic Indices: Exodus in EU & USA

- The sentix total index for Euroland drops significantly to a value of -13.5, a value that was last undercut in September 2009. The drop of 18.8 index points is historically high.
- Both sub-components drop considerably. The current situation drops by 15.75 points to 3.50 index points. The 6-month expectations drop by 21.25 points to -29.0 index points. This level was last seen in January 2009.
- The results in the USA are similarly dramatic. There, the sentix total index fell in comparison to last month's value of -8.0 points to -25.5 points. The Emerging Markets aren't able to defy the trend. Their expectational values also drop considerably.

Statistics

Survey period: **04.08.-06.08.2011**

Participants: **822**

sentix indications for upcoming market events

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!**

08.08.2011 - OECD Leading Ind. -> June data probably still declining

23.08.2011 - ZEW (EU & GE) -> ongoing weakening of current situation and expectations

24.08.2011 - Ifo (GE) -> stronger correction, ifo in the towline of markets

01.09.2011 - PMI (China) -> below expansion mark

01.09.2011 - ISM manuf. (US) -> recession will be indicated

01.09.2011 - ISM prices paid -> Lateral movement, stopped cutback

Summary table August 2011 for the Euroland economy

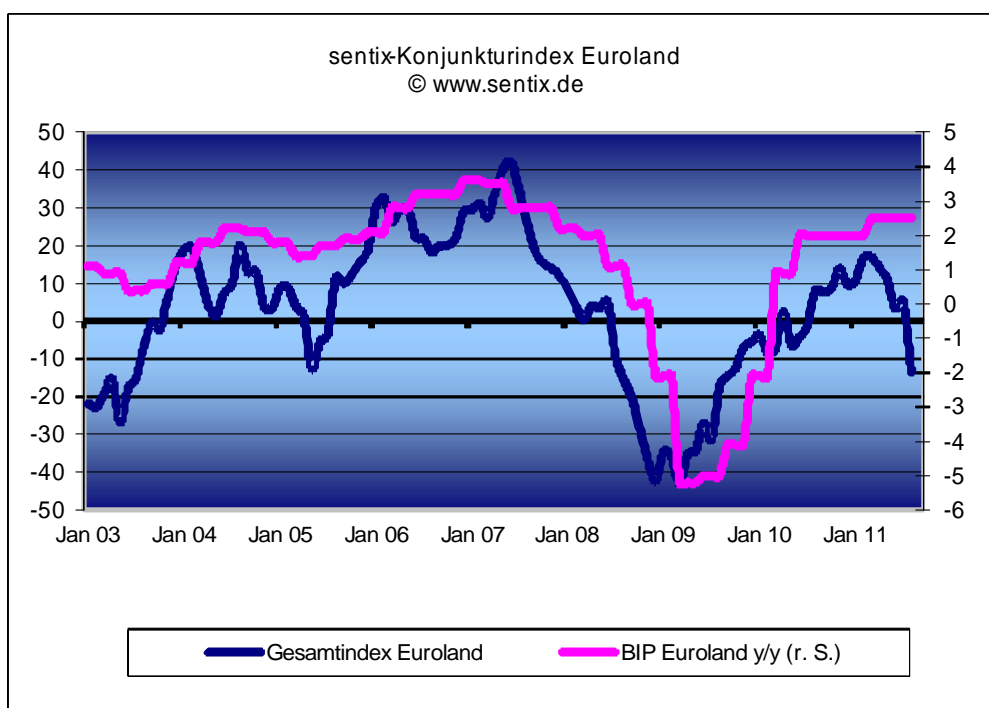
Euroland	Mrz 11	Apr 11	Mai 11	Jun 11	Jul 11	Aug 11
Gesamtindex	17,1	14,2	10,9	3,5	5,3	-13,5
Headline-Index						
Aktuelle Lage	26,00	25,50	23,75	18,50	19,25	3,50
Erwartungen	8,50	3,50	-1,25	-10,50	-7,75	-29,00
Teilindex Private						
Aktuelle Lage	26,50	22,00	23,00	17,50	19,50	2,50
Erwartungen	9,50	5,00	2,00	-6,50	-4,00	-26,00
Teilindex Institutionelle						
Aktuelle Lage	25,50	29,00	24,50	19,50	19,00	4,50
Erwartungen	7,50	2,00	-4,50	-14,50	-11,50	-32,00



Commentary to the survey results of August 2011: Exodus in Euroland and in the USA

The mix of EU-debt problem, political helplessness with regards to this as well as the quarrels in the USA around the raising of the debt limit unsettled investors and has certified a negative pulse for the further development of the economy. Things are going steeply downhill! The latest turbulences on the capital markets will have supported this assessment even more. Plunging prices on the international stock markets as well as the downgrade of the USA by S&P have left deep marks.

The sentix total index for Euroland falls dramatically in August to -13.50 points. Never in the history of sentix a drop in the total index has been this pronounced. The result is carried by both sub-components. The current situation drops by 15.75 points to +3.5 points, 6-month expectations erode by -21.25 points to -29.00 points. The last time the economic expectations were this low was in January 2009 – pointing, trendwise, to a sustained cooling-off of the Euroland economy.



A spill-over of the financial market problems to the real economy is becoming a probable scenario for more and more investors. The fragile financial structure of the states has led many investors to the question how a possible recession on the part of states and central banks can actually be confronted. The answer of politics of pumping new liquidity into the financial markets by accumulating more and more debts, is being received with more and more resentment. New paths need to be found! sentix has developed a solution to the debt crisis which can make a sustainable change:

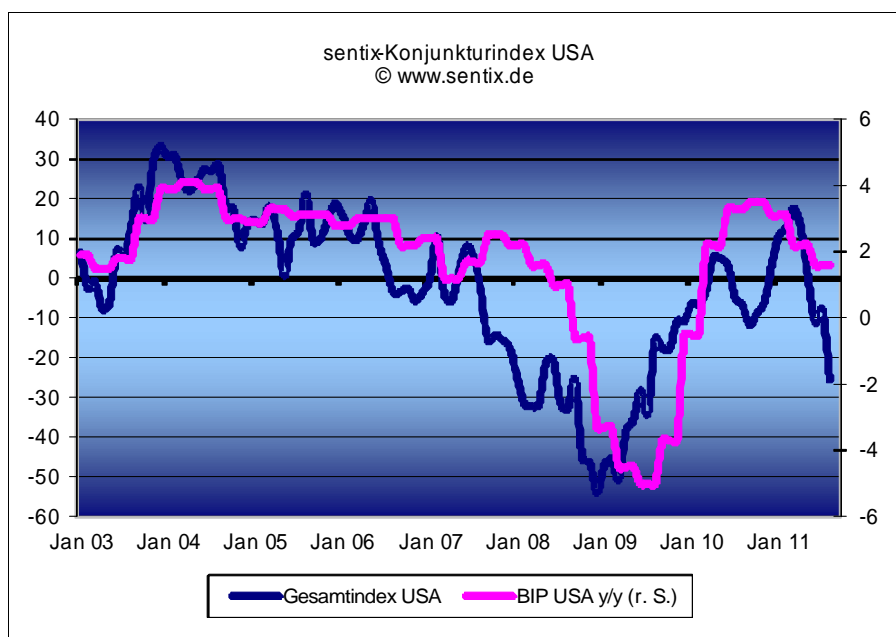
<http://sentix.blogspot.com/>

Global phenomenon

The data series of the six main world regions show impressively that this is a global topic. Led by negative data for the US economy, the economic expectations for Asia ex Japan, for Latin America and for Eastern Europe fall markedly. For the 6-month expectations of the Japanese economy, we calculate an index value of -9.00. Even the April values after Fukushima are undercut.



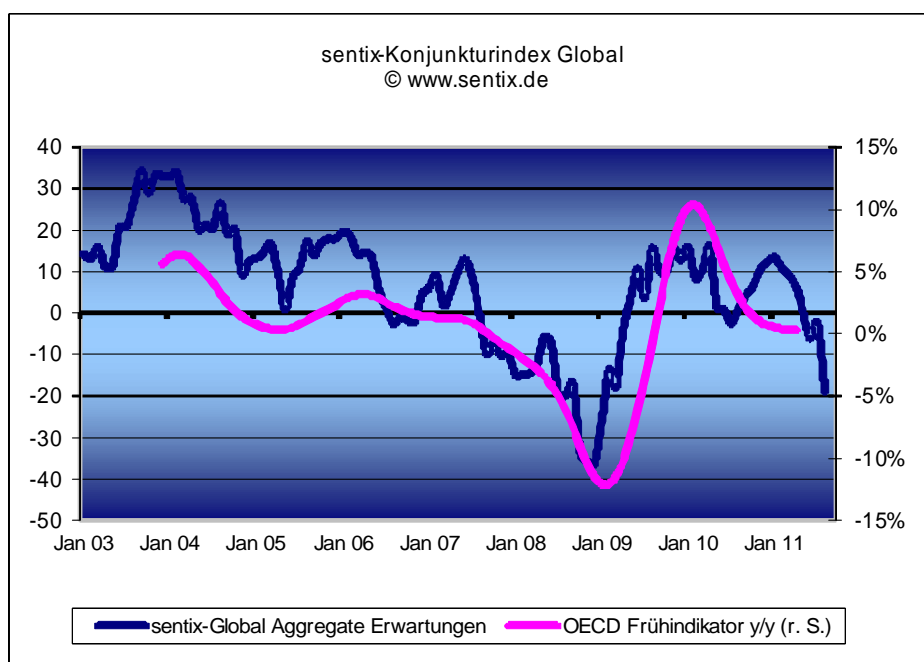
USA	Mrz 11	Apr 11	Mai 11	Jun 11	Jul 11	Aug 11
Gesamtindex	17,6	12,9	0,8	-11,1	-8,0	-25,5
Headline-Index						
Aktuelle Lage	20,00	18,00	5,50	-9,50	-8,00	-22,50
Erwartungen	15,25	8,00	-3,75	-12,75	-8,00	-28,50



With this, signs show the global economy heading into stormy weather. A global recession is on the horizon! We are reminded of 2007. We discussed how strongly the times correlate back in June 2011. Interested readers can find a listing there:

Analogy 2007 and today

<http://www.sentix.de/analysen/Analyse.php?id=418>





Data availability

Bloomberg

FACTSET

 **THOMSON REUTERS**

 **CEIC Data**
A Product of ISI Emerging Markets

sentix 
expertise in behavioral finance

 **GLOBAL INSIGHT**

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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