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sentix Economic Index: Asian upswing signals

- The economy in the euro zone continued to stabilize at the beginning of April. The sentix overall economic index rises to -0.3, the highest value since November 2018.
- Germany cannot keep up with this. Although expectations are improving here as well, the situation has dropped significantly by almost 10 points, with the result that the German economic index has fallen again.
- The economic hopes of investors rest entirely on Asia ex Japan, where the signals continue to point to an upswing. Since the US economy is also in an economic slowdown phase, but is still clearly expanding, there is also an upswing scenario for the global aggregate.

Statistics

Poll running: **4-Apr to 8-Apr, 2019**

Survey participants: **936 investors**
(**253** of those are institutional investors)

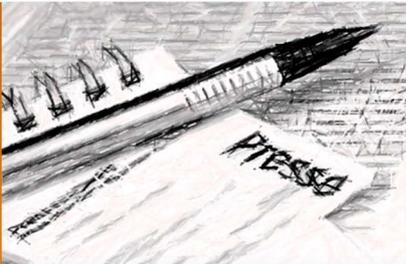
Current economic regimes* of countries /regions in focus:

Region / country	Regime	Region / country	Regime
 Eurozone	stagnation	 USA	slowdown
 Germany	slowdown	 Japan	slowdown
 Switzerland	upswing	Asia ex-Japan	upswing
 Austria	upswing	Latin America	stagnation
Eastern Europe	stagnation	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: April 2019

Euro Area	Nov. 18	Dec. 18	Jan. 19	Feb. 19	Mar. 19	Apr. 19	
Overall index	8.8	-0.3	-1.5	-3.7	-2.2	-0.3	Highest since 11.2018
Headline Index							
- Current situation	29.3	20.0	18.0	10.8	6.3	3.8	Lowest since 02.2015 8. decline in a row
- Expectations	-9.8	-18.8	-19.3	-17.3	-10.3	-4.3	Highest since 05.2018 3. increase in a row



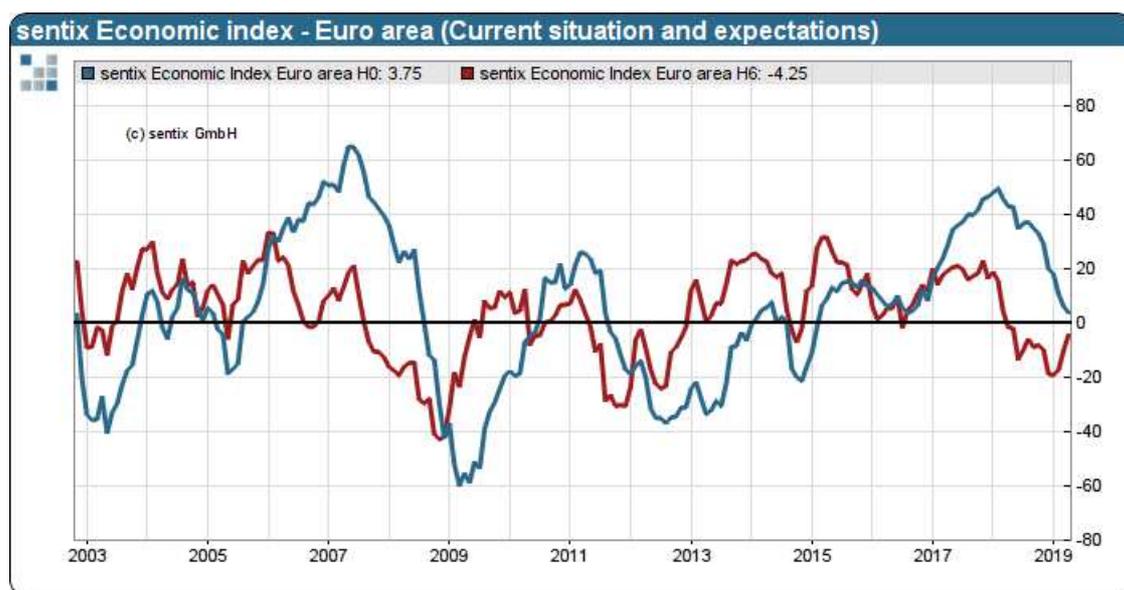
Commentary on the survey results for April 2019

Asian upswing signals

Economic observers are currently focusing their attention strongly on China. The signs in China are increasingly pointing to an upswing. Should there be an additional settlement in the trade dispute with the USA, the second economically robust region of the world economy, the European economy could also see a turnaround. To date, only further stabilization can be reported. The sentix economic index for the Euro zone rose slightly to -0.3 points, after -2.2 points in the previous month.

Euro area: Stabilization continues

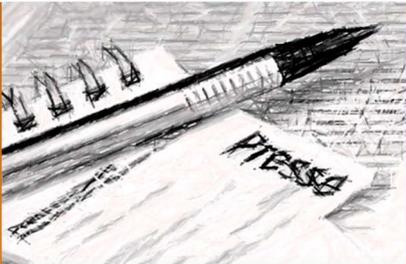
The economic situation in the euro zone remains fragile. The sentix economic index for the situation in the euro zone dropped to only 3.8 points in April. This is, after all, the eighth consecutive decline. On the other hand, expectations are rising by 6 points to -4.3, the third time in a row. This means that the economy is still losing momentum, but the momentum is declining. It seems that the eurozone could just as easily prevent a deeper downturn.



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

With the exception of the tiresome Brexit discussion, the fact that this is being achieved seems to lie less in the hands of the Europeans themselves than in the further development of the two economic heavyweights China and the USA. While the Chinese government had already set growth impulses in the middle of the year with a strong credit expansion, which is now also bearing fruit in the early indicators there, it is the conclusion of the negotiations in the trade dispute with the USA that should set further impulses. Since both the USA and China are still in the upswing, positive feedback to Europe is not expected to be absent in the coming months.

According to the sentix thematic indices, the central banks provide further support for the economy. After the inflation sub-index has risen to currently close to zero since November and the ECB and FED have sent corresponding signals, the central bank policy sub-index has risen to 16.25 points. This is the highest figure since September 2016, when the cycle of monetary tightening began. Investors now expect a noticeable departure from this trend. This is likely to have an impact on the yield curve.



Germany: Strongly affected

Germany is currently one of the regions with the weakest economic momentum. The further collapse of the situation values from 20.0 to 10.5 points, the lowest level since April 2010, is worrying. In January 2018 the value was still 72.25! After all, investors here also see a chance that a return of the global economy to an upswing will also give hope to Germany. Expectations are rising for the third time in a row but are still negative at -6 points. It would be positive if Germany did not rely on China and the USA alone, but sought to make its own contributions to economic stabilization.

Germany	Nov. 18	Dec. 18	Jan. 19	Feb. 19	Mar. 19	Apr. 19		
Overall index	15.6	7.2	6.1	3.1	4.0	2.1	Lowest since 08.2012	
Headline Index								
- Current situation	47.0	36.3	34.8	25.8	20.0	10.5	Lowest since 04.2010	6. decline in a row
- Expectations	-11.8	-18.3	-19.0	-17.3	-10.8	-6.0	Highest since 03.2018	3. Increase in a row

USA: Water under the keel again

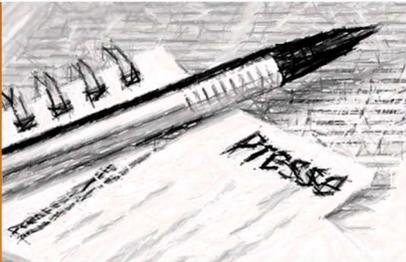
After it looked at times as if the US economy could also fall into the trap of the global economic slowdown, the turnaround in monetary policy and the signals from China have also improved the situation for the US economy. Although expectations for the USA are still negative at -7.8 points, the situation remains robust at +33.3 points. An agreement in the trade dispute with China is nevertheless crucial.

United States	Nov. 18	Dec. 18	Jan. 19	Feb. 19	Mar. 19	Apr. 19		
Overall index	21.4	11.0	6.6	7.4	10.4	11.8	Highest since 11.2018	3. increase in a row
Headline Index								
- Current situation	61.5	49.8	42.3	37.3	36.0	33.3	Lowest since 07.2017	6. decline in a row
- Expectations	-12.5	-21.8	-23.8	-18.8	-12.5	-7.8	Highest since 08.2018	3. increase in a row

Global aggregate: China shows its muscles

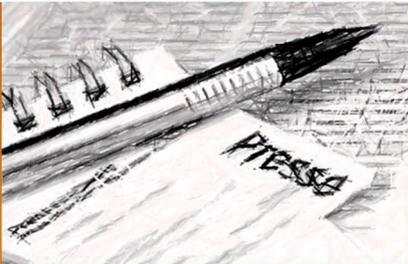
Even though the Chinese economy has been of great importance to the global economy for many years, 2019 may be the first year in which it becomes very clear that China has finally risen to become the leading economic nation. Not only is China itself benefiting from the easing of economic policy in China, but it is also abundantly clear how dependent Japan and Europe are on developments there. These two important regions are not capable of generating their own growth impulses, at least not at present. But the ever-increasing weighting of China also strengthens the global aggregate.

Global	Nov. 18	Dec. 18	Jan. 19	Feb. 19	Mar. 19	Apr. 19		
Overall index	11.1	4.4	2.6	4.7	8.3	9.4	Highest since 11.2018	3. increase in a row
Headline Index								
- Current situation	29.5	23.5	20.5	18.9	19.0	17.3	Lowest since 11.2016	
- Expectations	-5.9	-13.0	-13.8	-8.7	-1.9	1.9	Highest since 03.2018	3. Increase in a row



Further result tables

Japan	Nov. 18	Dec. 18	Jan. 19	Feb. 19	Mar. 19	Apr. 19		
Overall index	13.5	3.9	1.7	4.1	5.4	4.8		
Headline Index								
- Current situation	32.0	22.3	20.0	17.0	14.3	10.8	Lowest since 12.2016	6. decline in a row
- Expectations	-3.5	-13.0	-15.0	-8.0	-3.0	-1.0	Highest since 10.2018	3. Increase in a row
Asia ex Japan	Nov. 18	Dec. 18	Jan. 19	Feb. 19	Mar. 19	Apr. 19		
Overall index	12.5	7.9	5.4	9.9	15.3	16.5	Highest since 06.2018	3. increase in a row
Headline Index								
- Current situation	27.8	24.3	20.5	22.3	24.5	24.0		
- Expectations	-1.8	-7.3	-8.8	-1.8	6.5	9.3	Highest since 03.2018	3. Increase in a row
Eastern Europe	Nov. 18	Dec. 18	Jan. 19	Feb. 19	Mar. 19	Apr. 19		
Overall index	3.3	-3.5	-3.0	-2.2	0.7	1.9	Highest since 11.2018	4. increase in a row
Headline Index								
- Current situation	13.0	6.8	7.8	6.3	6.5	4.3	Lowest since 03.2017	
- Expectations	-6.0	-13.3	-13.3	-10.3	-5.0	-0.5	Highest since 05.2018	3. Increase in a row
Latin America	Nov. 18	Dec. 18	Jan. 19	Feb. 19	Mar. 19	Apr. 19		
Overall index	-10.2	-12.4	-8.3	-6.8	-3.9	-3.8	Highest since 05.2018	4. increase in a row
Headline Index								
- Current situation	-14.3	-13.0	-8.8	-8.5	-6.5	-9.0		
- Expectations	-6.0	-11.8	-7.8	-5.0	-1.3	1.5	Highest since 05.2018	4. Increase in a row
Switzerland	Nov. 18	Dec. 18	Jan. 19	Feb. 19	Mar. 19	Apr. 19		
Overall index	16.9	9.7	4.5	6.3	10.5	15.9	Highest since 11.2018	3. increase in a row
Headline Index								
- Current situation	49.3	35.3	30.8	31.3	26.8	23.5	Lowest since 12.2016	
- Expectations	-11.3	-13.0	-18.8	-16.0	-4.5	8.5	Highest since 02.2018	3. Increase in a row
Austria	Nov. 18	Dec. 18	Jan. 19	Feb. 19	Mar. 19	Apr. 19		
Overall index	21.0	19.3	21.4	13.8	15.5	23.3	Highest since 10.2018	
Headline Index								
- Current situation	52.0	45.8	47.0	35.3	30.5	37.5		
- Expectations	-6.3	-4.3	-1.5	-5.8	1.5	10.0	Highest since 08.2018	



Data availability

Bloomberg L.P.

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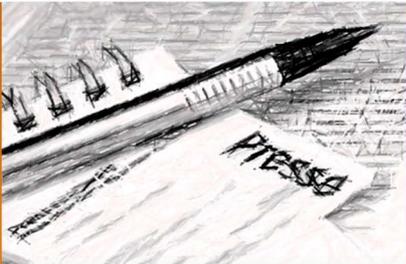
sentix surveys offer the rare combination of a vast number of participants, high quality and an outstanding speed with which information is gathered and passed on. All sentix indices are regularly accessible for sentix data clients just about one day after the close of each poll – via the sentix website 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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