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## sentix Economic Index: Current situation gains momentum

- The Eurozone economy remains on track to leave the painful consequences of the Corona year behind. The increasing openings of trade, restaurants and tourism are reviving the situation scores. For the Eurozone, the index rises to 21.3 points. This is the highest value since 11.2018.
- In Germany, the situation assessment improves for the 13th consecutive month to 29.5 points. The overall index rises to 32.9 points.
- The significant improvement in the situation assessment is also evident globally. Even the Latin America region is close to crossing the zero line in the overall index. The situation values here also rise by 8 points to -18.8 points. Expectations remain at a high level in all regions, although the high seems to have been passed.

### Statistics

Poll running: **3<sup>rd</sup> June to 5<sup>th</sup> June 2021**

Survey participants: **1,139 investors**  
(**222** of those are institutional investors)

## Current economic regimes\* of countries /regions in focus:

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

\* 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: June 2021

Euro Area	Jan. 21	Feb. 21	Mar. 21	Apr. 21	May. 21	Jun. 21	
Overall index	1.3	-0.2	5.0	13.1	21.0	28.1	Highest since 02.2018 4. increase in a row
Headline Index							
- Current situation	-26.5	-27.5	-19.3	-6.5	6.3	21.3	Highest since 11.2018 4. increase in a row
- Expectations	33.5	31.5	32.5	34.8	36.8	35.3	



## Commentary on the survey results for June 2021

### Current situation gains momentum

The economic catch-up process continues and above all the situation is now assessed much better than four weeks ago. No wonder, since more and more restrictions are being lifted in Europe after the Corona case numbers declined significantly. In Euroland, the situation index rises by 15 points to 21.3. This is the highest value since November 2018. The same can be observed for all other world regions. We also measure further increases in the sentix indices in Latin America and Eastern Europe, where economic activity has been subdued so far.

### Euro area: Situation index shoots up

The eurozone is increasingly leaving the painful losses of the Corona year behind. The openings in trade, gastronomy and tourism in recent weeks are showing their effect in a strong rise in the situation assessment. The corresponding index rose to 21.3 points. This is the highest level since November 2018, al-so far better than investors assessed the situation before the Corona slump. This may be surprising to some extent, but it is explained less by the services sector, which is only now picking up speed again, than by the boom-like situation in the manufacturing sector, which has already been in place for months. In addition, the European Central Bank has been pursuing a very expansive monetary policy for more than a year. This ample supply of liquidity is also stimulating the economy. The positive economic situation is not likely to end any time soon. At 35.3 points, the expectations are still at an expansionary level. There are also no significant signals from other regions of the world for a coming slowdown in growth.



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

However, there is a downside to the strong economy and that is foreseeable rising prices. The inflation barometer remains clearly negative at -42.25 points, indicating that investors expect inflationary pressures to persist. In addition, investors expect that the central banks will have to rethink their expansionary course. So far, the signals on this from the ECB are still very restrained. Experience shows that institutions such as central banks are often "behind the curve" at key turning points. This means that the pressure on prices, and thus also on the bond markets, is likely to continue over the summer. The ECB will probably not be able to avoid the discussion about turning away from its very expansionary policy for much longer.

## Germany: Opening steps are celebrated

In Germany, too, the current economic assessment is gaining momentum after the sharp drop in the Corona figures made it possible for the economy to take more and more opening steps. The situation rises for the 13th time in a row to 29.5 points. This is the best reading since January 2019, and on a positive note, expectations also remain positive at 36.3 points. Nevertheless, it will be interesting to see how long the opening euphoria lasts and how trade develops in the medium term should, for example, the mask requirement remain in place.

Germany	Jan. 21	Feb. 21	Mar. 21	Apr. 21	May. 21	Jun. 21		
<b>Overall index</b>	9.2	8.6	11.9	20.0	26.1	32.9	Highest since 02.2018	4. increase in a row
<b>Headline Index</b>								
- Current situation	-15.8	-15.5	-9.5	4.5	15.3	29.5	Highest since 01.2019	13. increase in a row
- Expectations	37.5	35.8	35.8	36.8	37.5	36.3		

## USA: Has the zenith been passed?

The USA has lifted important economic restrictions earlier than Europe. In the meantime, the majority of states have even lifted all Corona measures. Accordingly, the assessment of the situation is also positive here, with the sixth consecutive increase to the highest level since December 2018 (46.3 points). However, the sentix data now show that the air is getting thin for further improvements. Expectations fell for the second time to a still good 33.8 points. However, this is already a decline of almost 14 index points compared to the April high.

United States	Jan. 21	Feb. 21	Mar. 21	Apr. 21	May. 21	Jun. 21		
<b>Overall index</b>	10.7	18.0	25.5	38.6	40.1	39.9		
<b>Headline Index</b>								
- Current situation	-11.3	-2.8	9.0	30.0	41.8	46.3	Highest since 12.2018	6. increase in a row
- Expectations	35.3	41.0	43.3	47.5	38.5	33.8	Lowest since 12.2020	

## Global Aggregate: World Economic Recovery

The global economy continues to recover in leaps and bounds from the deep cuts of the Corona crisis. Strong regions such as Asia or the USA are signalling that expectations can no longer be raised but that, on the contrary, the first declines are measurable. However, the situation values are still clearly on the rise everywhere. Even regions such as Latin America or Eastern Europe, which have lagged behind in terms of dynamics so far, are showing encouragingly positive figures. In Latin America, the overall index has risen to its highest level since May 2018!

Global	Jan. 21	Feb. 21	Mar. 21	Apr. 21	May. 21	Jun. 21		
<b>Overall index</b>	14.9	17.5	20.5	26.8	28.3	29.3	Highest since 02.2018	14. increase in a row
<b>Headline Index</b>								
- Current situation	-4.1	0.0	5.5	16.3	23.0	27.5	Highest since 11.2018	13. increase in a row
- Expectations	35.7	36.5	36.5	37.7	33.7	31.1	Lowest since 11.2020	

## Further result tables

<b>Japan</b>	Jan. 21	Feb. 21	Mar. 21	Apr. 21	May. 21	Jun. 21		
<b>Overall index</b>	13.6	16.1	20.0	25.5	25.2	26.1	Highest since 02.2018	
<b>Headline Index</b>								
- Current situation	-5.0	-1.8	5.0	15.3	17.8	21.8	Highest since 12.2018	5. increase in a row
- Expectations	34.0	35.5	36.0	36.3	33.0	30.5	Lowest since 11.2020	
<b>Asia ex Japan</b>	Jan. 21	Feb. 21	Mar. 21	Apr. 21	May. 21	Jun. 21		
<b>Overall index</b>	29.6	33.1	33.5	37.6	36.0	34.1		
<b>Headline Index</b>								
- Current situation	17.8	24.0	26.0	33.8	37.0	36.0		
- Expectations	42.0	42.5	41.3	41.5	35.0	32.3	Lowest since 11.2020	
<b>Eastern Europe</b>	Jan. 21	Feb. 21	Mar. 21	Apr. 21	May. 21	Jun. 21		
<b>Overall index</b>	-1.8	-2.7	-0.3	4.6	9.5	14.9	Highest since 03.2018	4. increase in a row
<b>Headline Index</b>								
- Current situation	-26.0	-27.0	-22.0	-14.0	-6.3	4.8	Highest since 02.2020	4. increase in a row
- Expectations	25.8	25.0	24.0	25.0	26.5	25.5		
<b>Latin America</b>	Jan. 21	Feb. 21	Mar. 21	Apr. 21	May. 21	Jun. 21		
<b>Overall index</b>	-11.2	-13.2	-10.2	-9.0	-5.1	-0.7	Highest since 05.2018	4. increase in a row
<b>Headline Index</b>								
- Current situation	-38.0	-39.8	-35.0	-31.8	-26.8	-18.8	Highest since 02.2020	4. increase in a row
- Expectations	20.0	17.8	18.3	16.8	19.3	19.3		
<b>Switzerland</b>	Jan. 21	Feb. 21	Mar. 21	Apr. 21	May. 21	Jun. 21		
<b>Overall index</b>	11.1	18.2	19.8	24.6	30.4	35.5	Highest since 01.2018	7. increase in a row
<b>Headline Index</b>								
- Current situation	-2.3	-5.8	4.5	10.5	35.5	39.3	Highest since 11.2018	4. increase in a row
- Expectations	25.3	45.0	36.3	39.8	25.5	31.8		
<b>Austria</b>	Jan. 21	Feb. 21	Mar. 21	Apr. 21	May. 21	Jun. 21		
<b>Overall index</b>	9.5	-1.2	8.5	18.1	34.0	44.7	Highest since 04.2018	4. increase in a row
<b>Headline Index</b>								
- Current situation	-23.5	-32.0	-22.0	-7.0	15.0	49.5	Highest since 11.2018	4. increase in a row
- Expectations	48.8	35.3	44.3	46.5	54.8	40.0		



## 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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