

## AII Sentiment Survey: Expectations Close to Average

The latest AII Sentiment Survey shows the percentage breakdowns of individual investors' expectations for the short-term direction of stock prices being close to average. Bullish sentiment, neutral sentiment and bearish sentiment are all within a few percentage points of their historical averages.

Bullish sentiment, expectations that stock prices will rise over the next six months, rose 0.5 percentage points to 35.9%. The historical average is 38.5%.

Neutral sentiment, expectations that stock prices will stay essentially unchanged over the next six months, fell 3.1 percentage points to 32.4%. Neutral sentiment is above its historical average of 31.0% for the fourth consecutive week and the 34th out of the last 37 weeks.

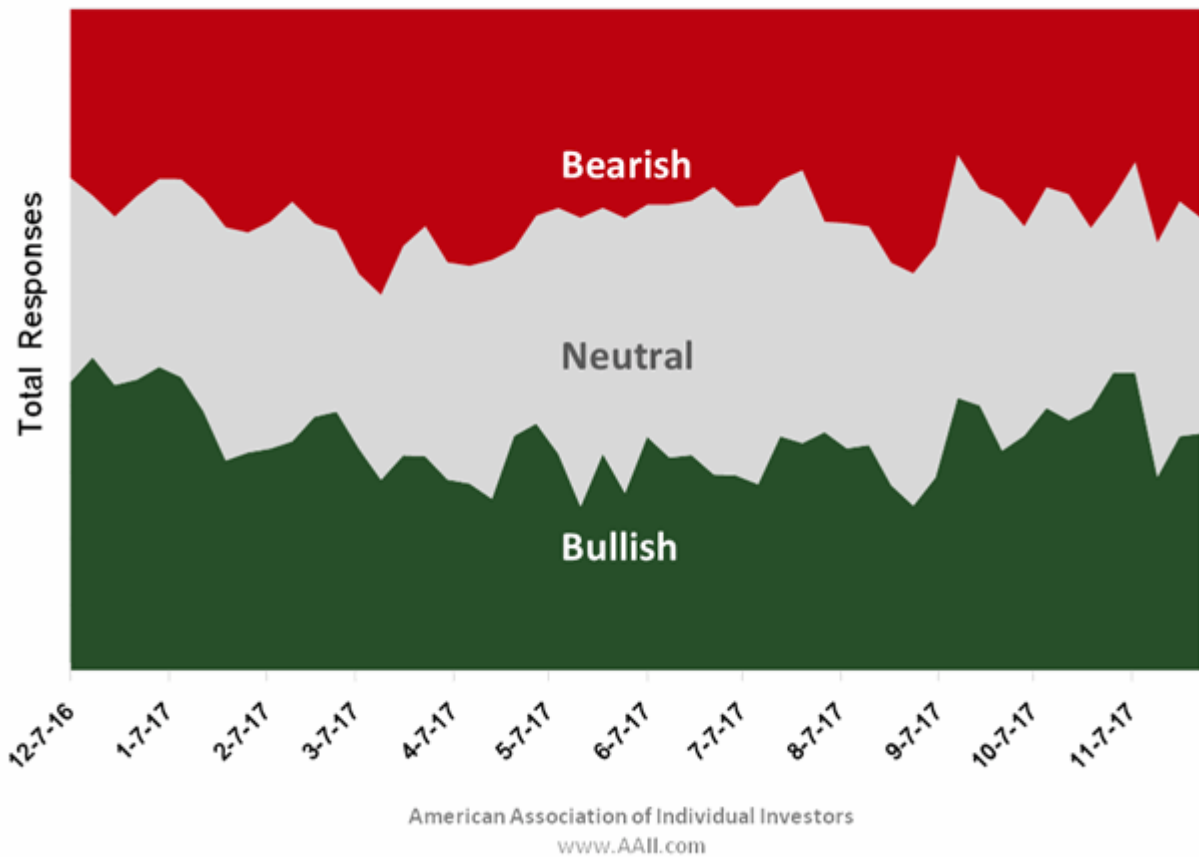
Bearish sentiment, expectations that stock prices will fall over the next six months, rebounded 2.6 percentage points to 31.6%. The historical average is 30.5%.

Bullish sentiment is below its historical average for three consecutive weeks for the first time since early September. Year to date, optimism has been below average on 39 out of 48 weeks.

While the continued rise of the major U.S. stock indexes into record territory is encouraging to some individual investors, many others have previously expressed concerns about the possibility of a pullback or a more severe drop occurring. Tax reform could also be playing a role. While some of our members are optimistic about the prospects of tax reform being passed, about 40% of those polled in a different weekly AII survey said the proposed legislation could hurt them.

Also having an effect on investor sentiment are earnings growth and economic growth. Other individual investors view stocks as being a bit too overpriced or are concerned about the lack of volatility. Washington politics also continues to be at the forefront of many individual investors' minds.

# AII Sentiment Survey



This week's AII Sentiment Survey results:

- Bullish: 35.9%, up 0.5 percentage points
- Neutral: 32.4%, down 3.1 percentage points
- Bearish: 31.6%, up 2.6 percentage points

Historical averages:

- Bullish: 38.5%
- Neutral: 31.0%
- Bearish: 30.5%

Want to weigh in? Take the survey yourself and see results online at [www.aaii.com/sentimentsurvey](http://www.aaii.com/sentimentsurvey).

*If you want to become an effective manager of your own assets and achieve your financial goals, consider a **risk-free 30-day Trial AII Membership***