

AAll Sentiment Survey: Highest Level of Neutral Sentiment in Nearly a Year

The percentage of individual investors describing their outlook for stocks as neutral is at its highest level in nearly a year. The latest AAll Sentiment Survey also shows pessimism at its lowest level since the first week of January.

Bullish sentiment, expectations that stock prices will rise over the next six months, declined 2.9 percentage points to 29.7%. This is a six-week low. It is also the 18th consecutive week and the 23rd time out of the last 24 weeks that bullish sentiment is below the historical average of 38.5%.

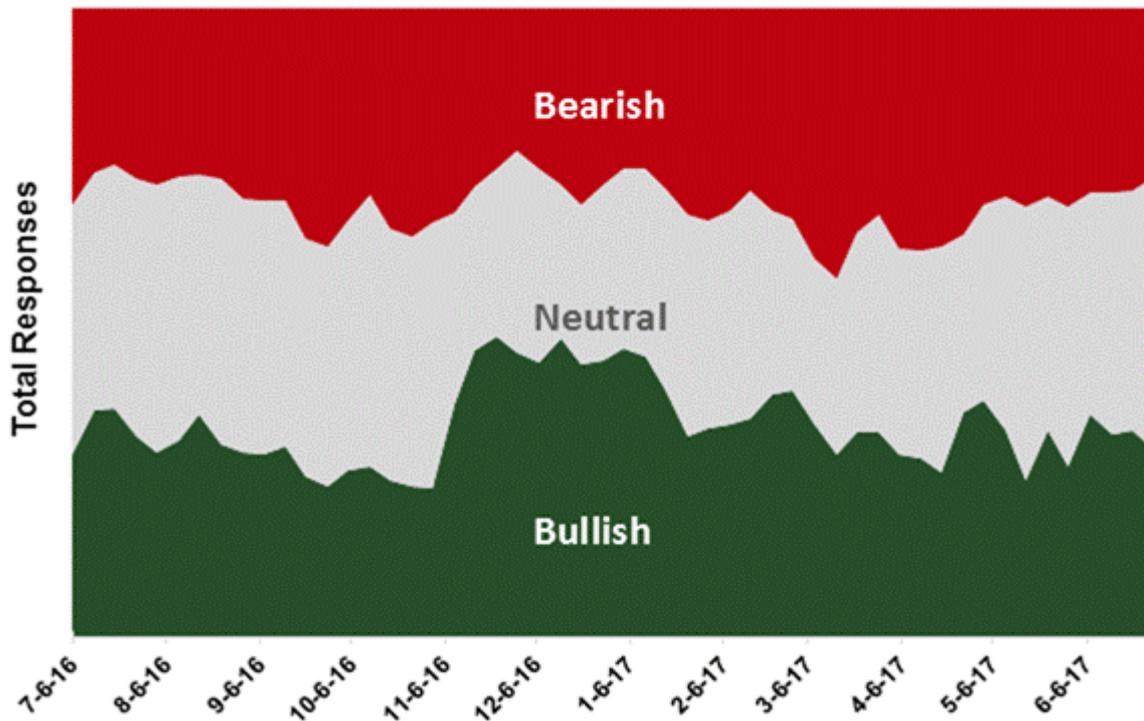
Neutral sentiment, expectations that stock prices will stay essentially unchanged over the next six months, jumped by 5.0 percentage points to 43.4%. The last time neutral sentiment was this high was August 3, 2016 (also 43.4%). This week's rise keeps neutral sentiment above its historical average of 31.0% for the ninth consecutive week and the 14th out of the last 15 weeks.

Bearish sentiment, expectations that stock prices will fall over the next six months, declined 2.1 percentage points to 26.9%. Pessimism was last lower on January 4, 2017 (25.2%). The drop keeps bearish sentiment below its historical average of 30.5% for the seventh out of the last nine weeks.

At current levels, neutral sentiment is at an unusually high level (more than one standard deviation above its historical average). Optimism, though slightly below 30%, continues to remain within its typical range (albeit, near the lower end of it).

This year's record highs for the S&P 500 and the Nasdaq have encouraged some individual investors, but the Trump administration's ability (or lack thereof) to move forward on economic and tax policy remains on the forefront of many others' minds. Also playing a role in influencing sentiment are earnings, valuations, concerns about the possibility of a pullback in stock prices and interest rates/monetary policy.

AII Sentiment Survey



American Association of Individual Investors
www.AAI.com

This week's AII Sentiment Survey results:

- Bullish: 29.7%, down 2.9 percentage points
- Neutral: 43.4%, up 5.0 percentage points
- Bearish: 26.9%, down 2.1 percentage points

Historical averages:

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

The AII Sentiment Survey has been conducted weekly since July 1987 and asks AII members whether they think stock prices will rise, remain essentially flat or fall over the next six months. The survey period runs from Thursday (12:01 a.m.) to Wednesday (11:59 p.m.).

Want to weigh in? Take the survey yourself and see results online at <http://www.aai.com/sentimentsurvey>.

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