

# AAII Sentiment Survey: More Than a Third of Individual Investors Stay Bearish

More than a third of individual investors described their outlook for stocks as bearish for the second consecutive week. The latest AAI Sentiment Survey also shows a decrease in neutral sentiment and an increase in optimism.

Bullish sentiment, expectations that stock prices will rise over the next six months, rebounded by 3.3 percentage points to 33.9%. Even with the increase, optimism remains below its historical average of 38.5% for the second consecutive week and the fifth time in six weeks.

Neutral sentiment, expectations that stock prices will stay essentially unchanged over the next six months, pulled back by 2.9 percentage points to 31.0%. The decrease was not large enough to prevent neutral sentiment from remaining at or above its historical average of 31.0% for the 33rd time in the past 35 weeks.

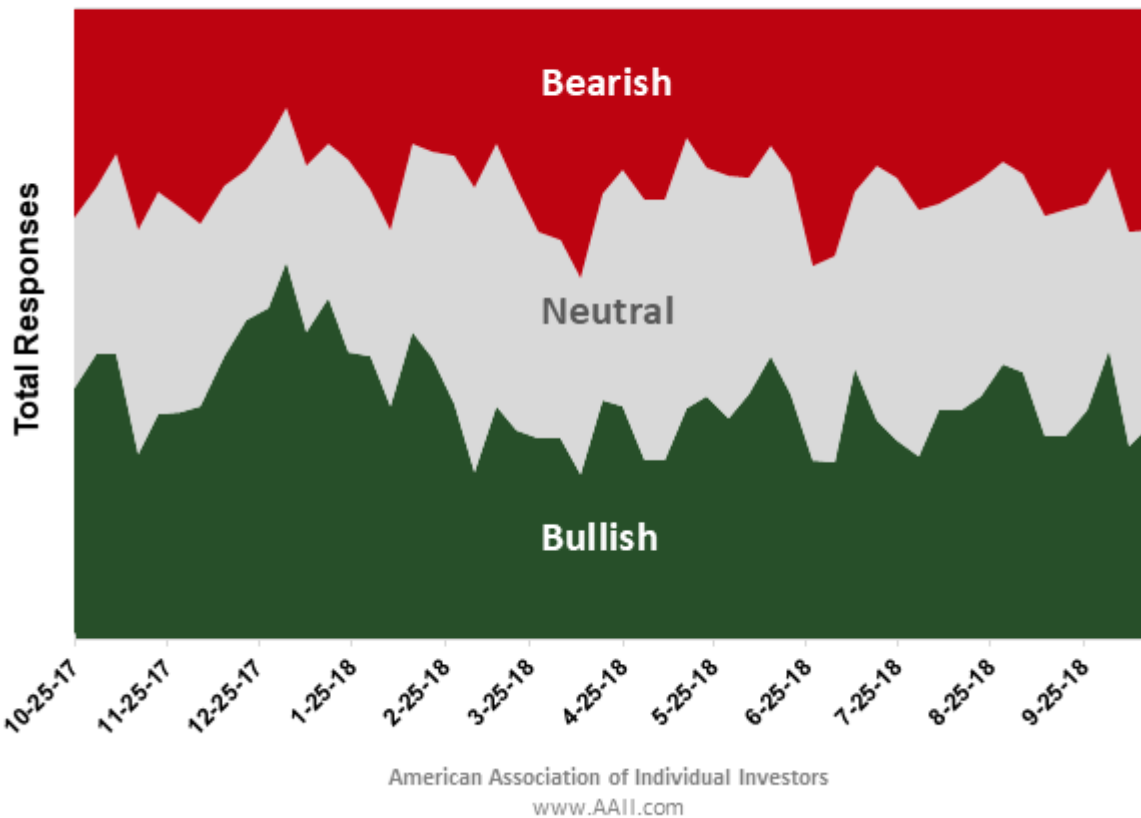
Bearish sentiment, expectations that stock prices will fall over the next six months, declined by a modest 0.4 percentage points to 35.0%. Pessimism is above its historical average of 30.5% for the fifth time in six weeks.

This week marked only the third time this year when pessimism exceeded 33% on consecutive weeks. The other two times were March 28-April 11 and June 27-July 4.

At current levels, all three indicators are within their typical historical ranges.

Some AAI members have been anticipating a decline in stock prices prior to the recent downward volatility; whether the pullback is steep enough to prompt them to act remains to be seen. Tariffs and the possibility of an escalating trade war remain front and center on the minds of many individual investors. Also influencing sentiment are Washington politics (including President Donald Trump), midterm elections, economic growth, valuations and corporate profits.

## AII Sentiment Survey



This week's AII Sentiment Survey results:

- Bullish: 33.9%, up 3.3 percentage points
- Neutral: 31.0%, down 2.9 percentage points
- Bearish: 35.0%, down 0.4 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.aai.com/sentimentsurvey](http://www.aai.com/sentimentsurvey).

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