

AII Sentiment Survey: Neutral Stays Above Average

The percentage of individual investors describing their six-month outlook for stock prices as “neutral” is above its historical average for the seventh consecutive week. The latest AII Sentiment Survey also shows less optimism than a week prior.

Bullish sentiment, expectations that stock prices will rise over the next six months, pulled back by 3.2 percentage points to 32.3%. The decline keeps optimism below its historical average of 38.5% for the 16th consecutive week and the 21st time out of the last 22 weeks.

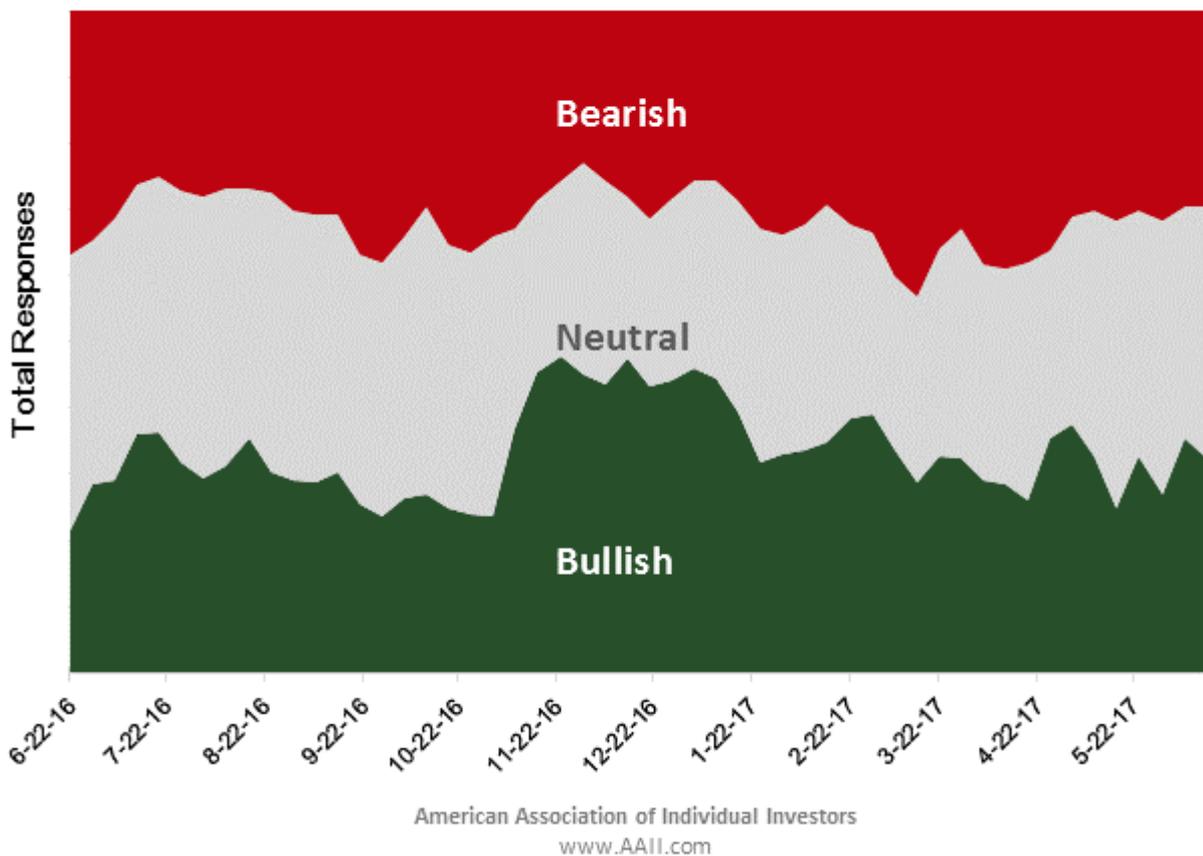
Neutral sentiment, expectations that stock prices will stay essentially unchanged over the next six months, rose 3.2 percentage points to 38.2%. This is both the seventh consecutive week and the 12th out of the last 13 weeks with a neutral sentiment reading above its historical average of 31.0%.

Bearish sentiment, expectations that stock prices will fall over the next six months, is unchanged at 29.5%. This is the sixth week out of the last seven that pessimism is within an approximate two-percentage point range of 29.5% to 31.5%. The historical average is 30.5%.

Since the start of 2016, neutral sentiment has been above its historical average on 60 out of the last 76 weeks. Over the same period, bullish sentiment has been below its historical average 65 times.

New 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



This week's AII Sentiment Survey results:

- Bullish: 32.3%, down 3.2 percentage points
- Neutral: 38.2%, up 3.2 percentage points
- Bearish: 29.5%, unchanged

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.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 AAI Membership**.*