

AII Sentiment Survey: Optimism Drops to a Six-Week Low

Optimism among individual investors about the short-term direction of the stock market fell to its lowest level in six weeks. The latest AII Sentiment Survey also shows a strong rise in pessimism and a rebound in neutral sentiment.

Bullish sentiment, expectations that stock prices will rise over the next six months, plunged 10.1 percentage points to 32.1%. The drop ends a streak of three consecutive weeks with optimism above its historical average of 38.5%. Bullish sentiment was last lower on August 1, 2018 (29.1%).

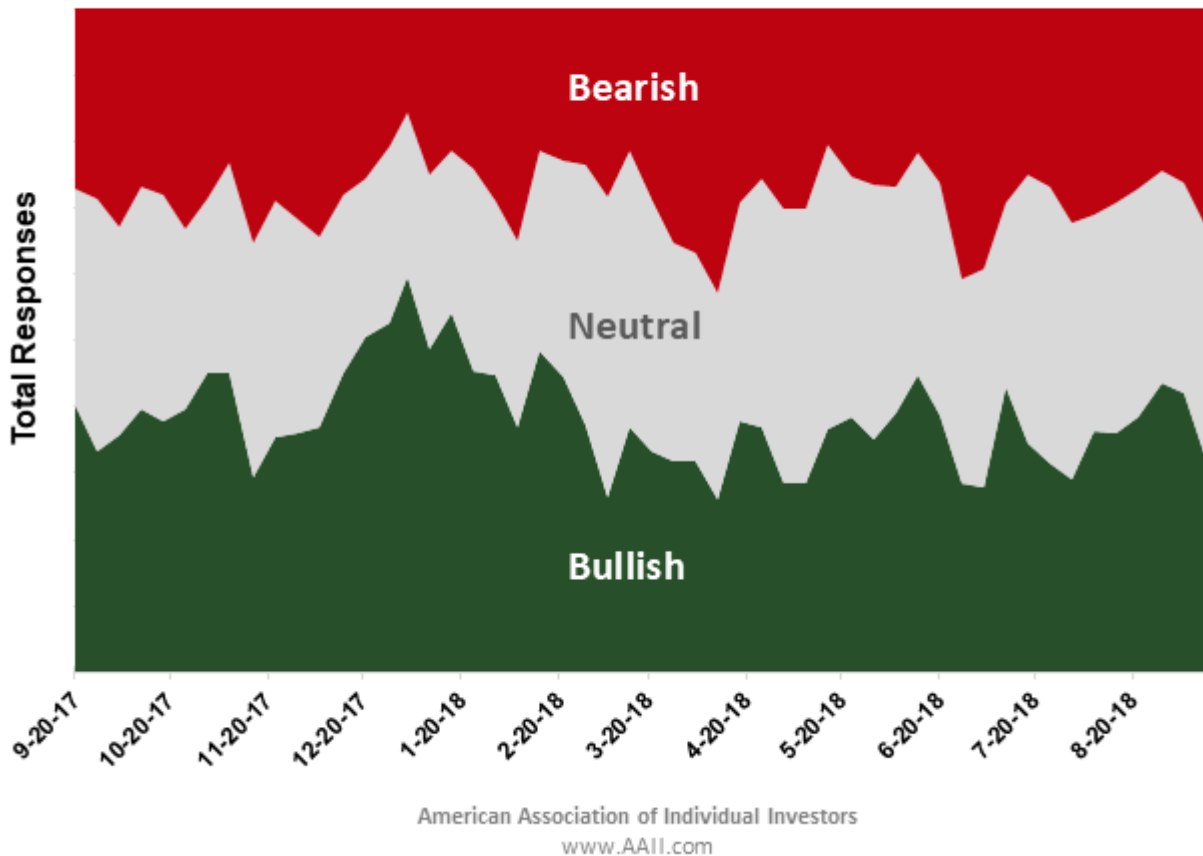
Neutral sentiment, expectations that stock prices will stay essentially unchanged over the next six months, rebounded by 3.6 percentage points to 35.1%. Neutral sentiment remains above its historical average of 31.0% for the 29th time in 30 weeks.

Bearish sentiment, expectations that stock prices will fall over the next six months, jumped 6.5 percentage points to 32.8%. The increase puts pessimism back above its historical average of 30.5% for the first time in five weeks.

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

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), economic growth, interest rates (including monetary policy), valuations and corporate profits.

AII Sentiment Survey



This week's AII Sentiment Survey results:

- Bullish: 32.1%, down 10.1 percentage points
- Neutral: 35.1%, up 3.6 percentage points
- Bearish: 32.8%, up 6.5 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.

*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***