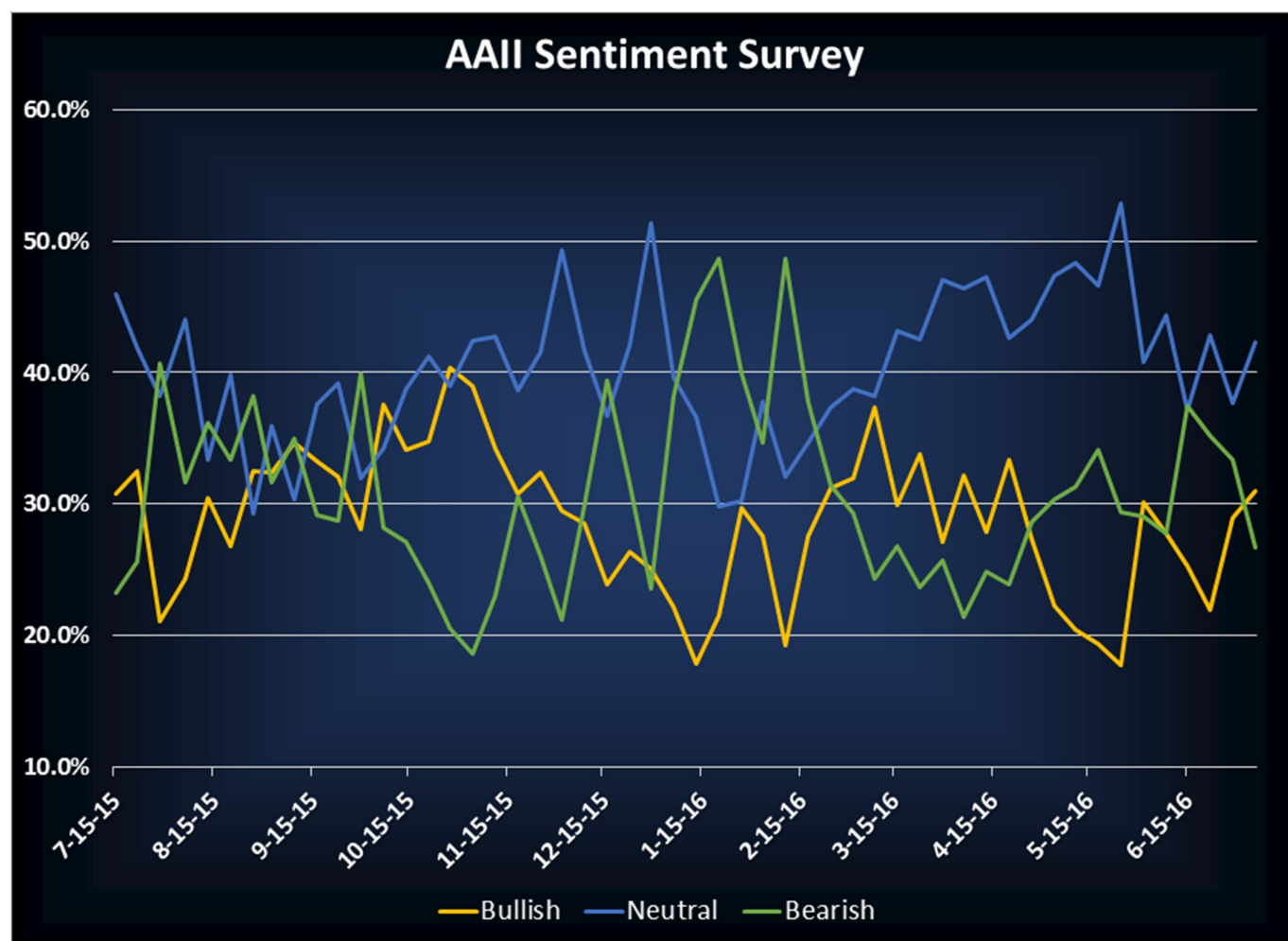


AII Sentiment Survey: Optimism Nears a Three-Month High



Optimism among individual investors about the short-term direction of stock prices is near a three-month high in the latest AII Sentiment Survey. Pessimism pulled back for a third consecutive week, while neutral sentiment rebounded.

Bullish sentiment, expectations that stock prices will rise over the next six months, rose 2.1 percentage points to 31.1%. Optimism was last higher on April 20, 2016 (33.4%). Nonetheless, bullish sentiment remains below its historical average of 38.5% for the 35th consecutive week and the 68th out of the past 70 weeks.

Neutral sentiment, expectations that stock prices will stay essentially unchanged over the next six months, jumped 4.6 percentage points to 42.3%. The rise keeps neutral sentiment above its historical average of 31.0% for the 23rd consecutive week.

Bearish sentiment, expectations that stock prices will fall over the next six months, fell 6.8 percentage points to 26.7%. This is lowest level of pessimism since April 20, 2016 (23.9%). The historical average is 30.5%.

This is just the eighth week this year with more than three out of 10 individual investors describing their short-term outlook for stocks as “bullish.” (Optimism was at 30.0% on March 16.) In contrast, more than four out of 10 respondents have described their outlook as “neutral” on 15 out of this year’s first 27 weeks. As far as pessimism goes, bearish sentiment has topped 30% 14 times this year.

The rise in optimism occurred as prices rebounded, with large-cap stocks trading back near their record high. Concerns about Brexit have not subsided, however.

This week’s AAI Sentiment Survey results:

- Bullish: 31.1%, up 2.1 percentage points
- Neutral: 42.3%, up 4.6 percentage points
- Bearish: 26.7%, down 6.8 percentage points

Historical averages:

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

The AAI Sentiment Survey has been conducted weekly since July 1987 and asks AAI 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>.

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**.