

## AII Sentiment Survey: Optimism Rebounds

Nearly one out of three individual investors expect stocks to rebound over the short-term as optimism rebounded strongly in the latest AII Sentiment Survey. At the same time, both neutral sentiment and pessimism pulled back.

Bullish sentiment, expectations that stock prices will rise over the next six months, jumped 9.0 percentage points to 32.9%. The rise puts optimism back into its typical range. The jump is not large enough, however, to prevent bullish sentiment from staying below its historical average of 38.5% for the 18th time out of the last 19 weeks.

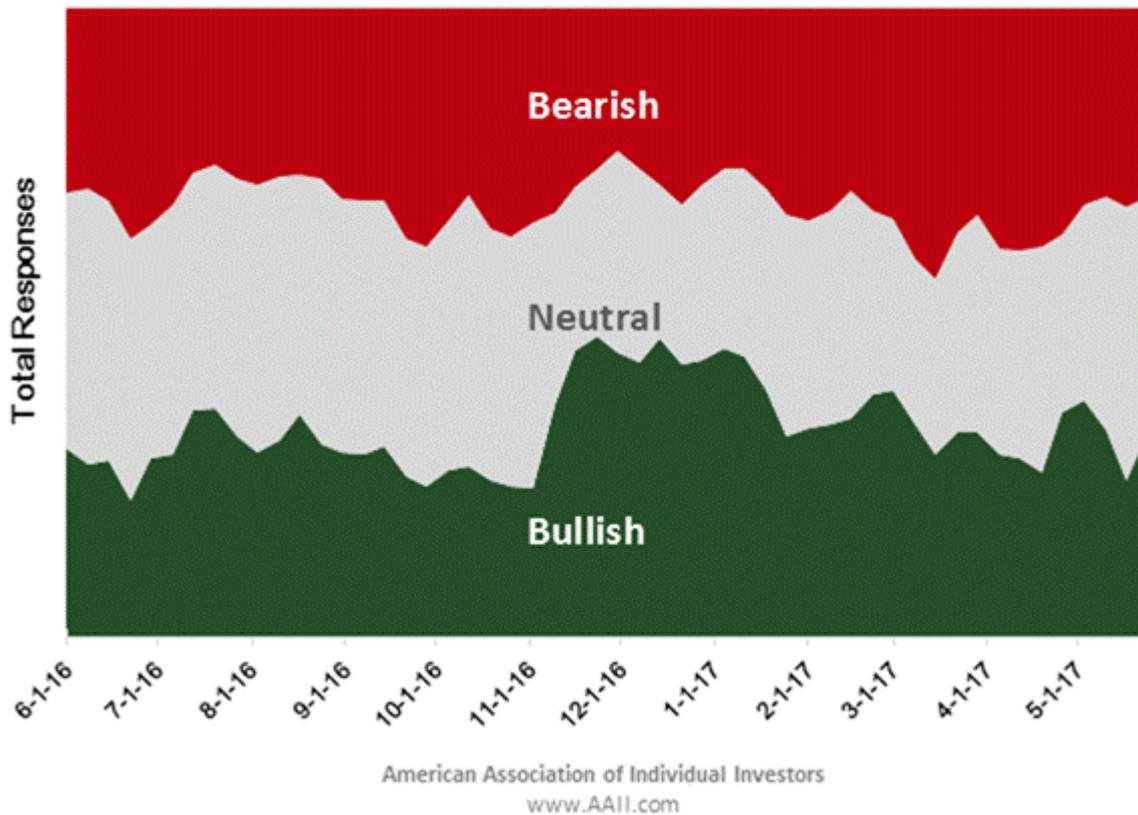
Neutral sentiment, expectations that stock prices will stay essentially unchanged over the next six months, fell 4.8 percentage points to 37.1%. Neutral sentiment is above its historical average of 31% for the fourth consecutive week and the ninth time in 10 weeks.

Bearish sentiment, expectations that stock prices will fall over the next six months, pulled back by 4.3 percentage points to 30.0%. The decline puts pessimism slightly below its historical average of 30.5% for the third time in four weeks.

This week's readings are very close to the levels recorded two weeks ago. The rise in optimism follows what had been an unusually low level of bullish sentiment and implies some reversion back toward the average. It also occurred as the S&P 500 index set new record highs. Though some individual investors are encouraged by the gains, others fret about valuations or fear that a significant drop is forthcoming.

Beyond the current level of stock prices, President Donald Trump is having a big influence on many investors' attitudes. Also playing roles are this year's lack of volatility and the possibility of a significant international event occurring.

## AII Sentiment Survey



This week's AAI Sentiment Survey results:

- Bullish: 32.9%, up 9.0 percentage points
- Neutral: 37.1%, down 4.8 percentage points
- Bearish: 30.0%, down 4.3 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**.*