

# AAll Sentiment Survey: Optimism Rebounds, But Stays Below Average

Optimism about the short-term direction of stocks rebounded, but remains below average according to the latest AAll Sentiment Survey. Pessimism, meanwhile, pulled back after having risen last week.

Bullish sentiment, expectations that stock prices will rise over the next six months, rose 5.1 percentage points to 33.5%. Optimism remains below its historical average of 38.5% for the 11th consecutive week and the 12th time in 14 weeks.

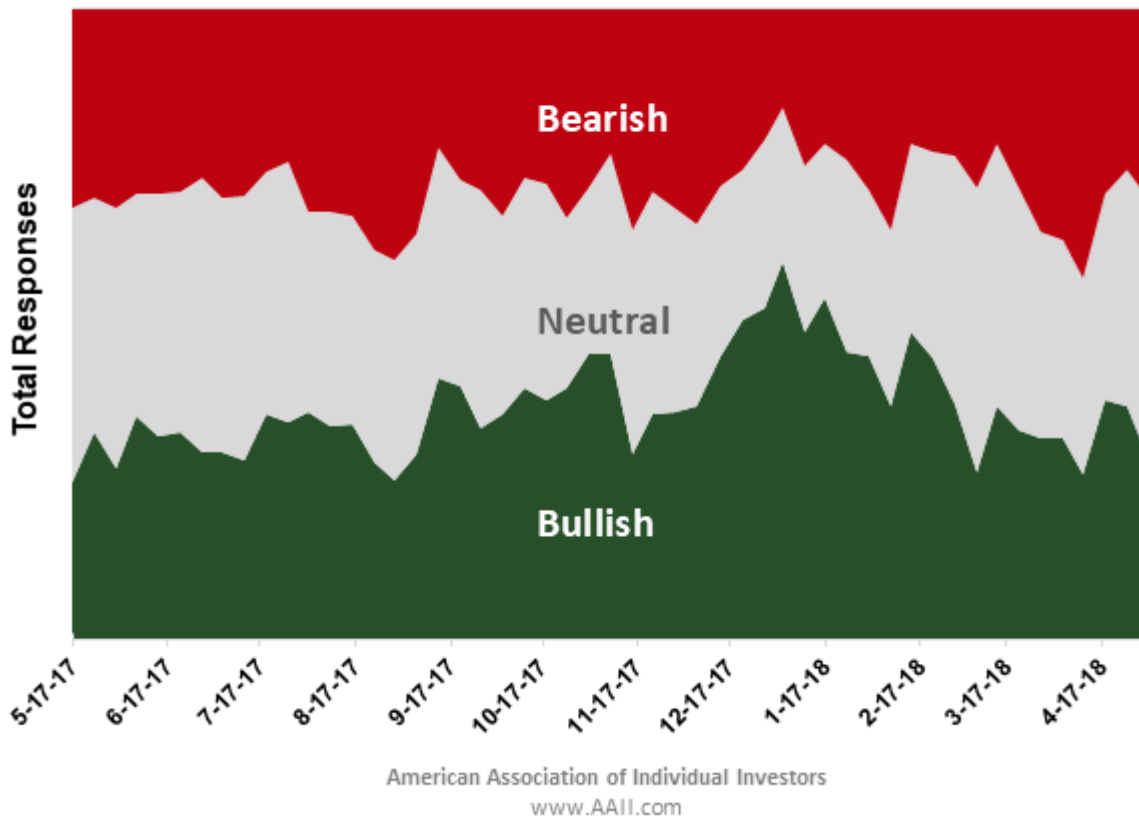
Neutral sentiment, expectations that stock prices will stay essentially unchanged over the next six months, declined by 0.4 percentage points to 41.0%. This is the 12th consecutive week with a neutral sentiment reading above the historical average of 31.0%.

Bearish sentiment, expectations that stock prices will fall over the next six months, reversed last week's increase and fell 4.7 percentage points to 25.5%. Pessimism is below its historical average of 30.5% for the fourth consecutive week and the 18th time out of the past 22 weeks.

Neutral sentiment remains at an unusually high level (more than one standard deviation above its historical average) for the second consecutive week. Such readings have been followed by slightly higher than average six-month returns for the S&P 500 index, but not significantly so. Both bullish and bearish sentiment are within their typical historical ranges.

Many individual investors, but not all, anticipate continued volatility and/or think that the current political backdrop could have a further impact on the stock market. Trade policy is influencing some individual investors' sentiment. While many individual investors either approve of the Federal Reserve's plan to gradually raise interest rates or don't expect it to affect the stock market, some are concerned about the impact that rising rates will have. Also influencing sentiment are valuations, tax cuts, earnings and economic growth.

# AII Sentiment Survey



This week's AII Sentiment Survey results:

- Bullish: 33.5%, up 5.1 percentage points
- Neutral: 41.0%, down 0.4 percentage points
- Bearish: 25.5%, down 4.7 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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