

AAII Sentiment Survey: Optimism Rebounds, But Stays Below Average

Optimism among individual investors about the short-term direction of the stock market rebounded, but not enough to rise above the historical average. The latest AAI Sentiment Survey also shows a further drop in neutral sentiment and a decline in pessimism.

Bullish sentiment, expectations that stock prices will rise over the next six months, rose 7.3 percentage points to 36.4%. This is a five-week high. Even with the increase, optimism remains below its historical average of 38.5% for the sixth time in seven weeks.

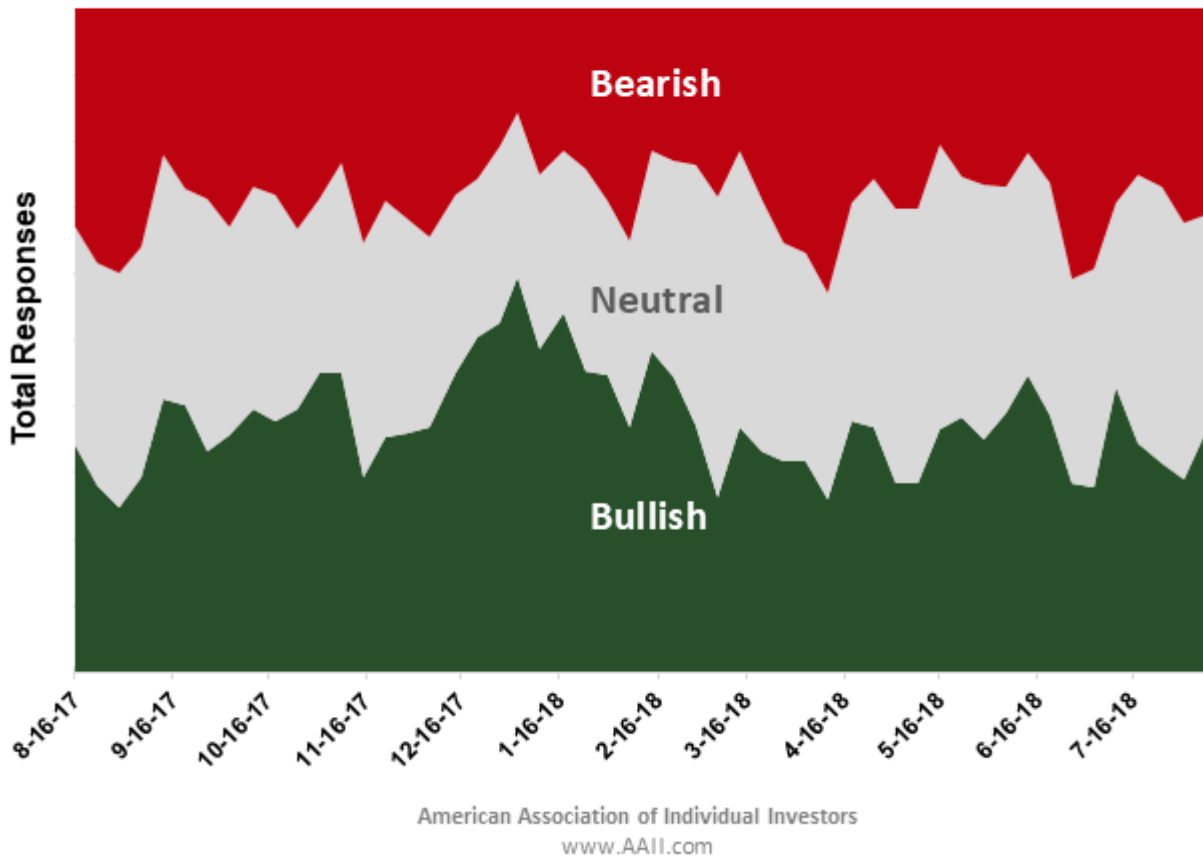
Neutral sentiment, expectations that stock prices will stay essentially unchanged over the next six months, fell 6.2 percentage points to 32.6%. The drop is not large not enough to prevent neutral sentiment from remaining above its historical average of 31.0% for the 24th time in 25 weeks.

Bearish sentiment, expectations that stock prices will fall over the next six months, pulled back by 1.0 percentage points to 31.0%. The historical average is 30.5%.

Neutral sentiment has fallen by a cumulative 9.0 percentage points since hitting an unusually high level of 41.6% two weeks ago. At current levels, all three indicators are well within their typical historical ranges.

Tariffs, and the possibility of a 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 AAI Sentiment Survey results:

- Bullish: 36.4%, up 7.3 percentage points
- Neutral: 32.6%, down 6.2 percentage points
- Bearish: 31.0%, down 1.0 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.

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