

## AII Sentiment Survey: Optimism Stays Below 30%

The percentage of individual investors expecting stocks to rise in price is below 30% for a second consecutive week. The latest AII Sentiment Survey also shows a rise in neutral sentiment and a decline in pessimism.

Bullish sentiment, expectations that stock prices will rise over the next six months, is modestly higher (0.7 percentage points) at 29.0%. Prior to this month, optimism had not been below 30% since last November's election. This week is also the 12th out of the last 13 with optimism below its historical average of 38.5%.

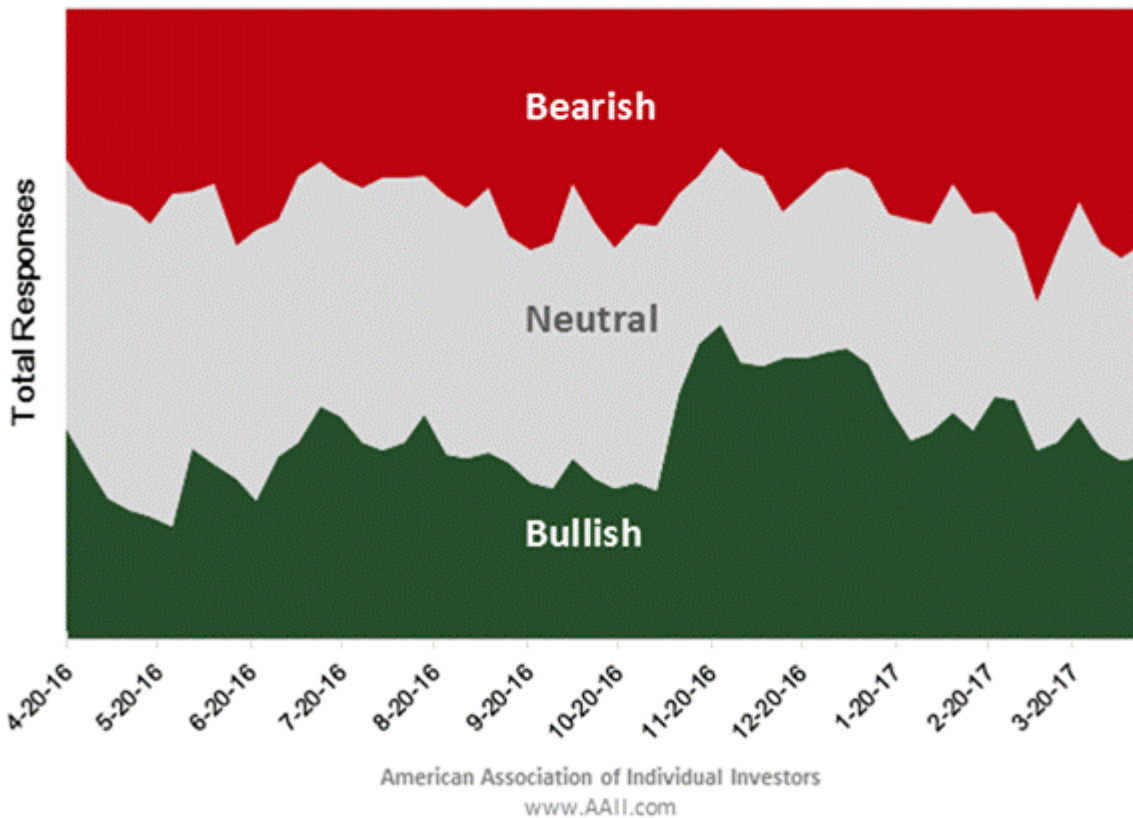
Neutral sentiment, expectations that stock prices will stay essentially unchanged over the next six months, rose 1.6 percentage points to 33.6%. The rise keeps neutral sentiment above its historical average of 31% for the fourth consecutive week.

Bearish sentiment, expectations that stock prices will fall over the next six months, pulled back by 2.2 percentage points to 37.4%. Even with the decline, pessimism remains at or above its historical average of 30.5% for the ninth consecutive week and the 12th out of the last 13 weeks.

The current streak of consecutive weeks with bearish sentiment at or above its historical average is the longest such streak in nearly five years. Pessimism stayed above its historical average for 15 consecutive weeks between August 30 and December 6, 2012.

The potential impact that President Trump could have on the domestic and global economy continues to cause uncertainty and/or concern among some individual investors, while encouraging others. At the same time, prevailing valuations and the lack of downside volatility have increased concern about the potential for a forthcoming drop in stock prices.

## AII Sentiment Survey



This week's AAI Sentiment Survey results:

- Bullish: 29.0%, up 0.7 percentage points
- Neutral: 33.6%, up 1.6 percentage points
- Bearish: 37.4%, down 2.2 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

<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**.*