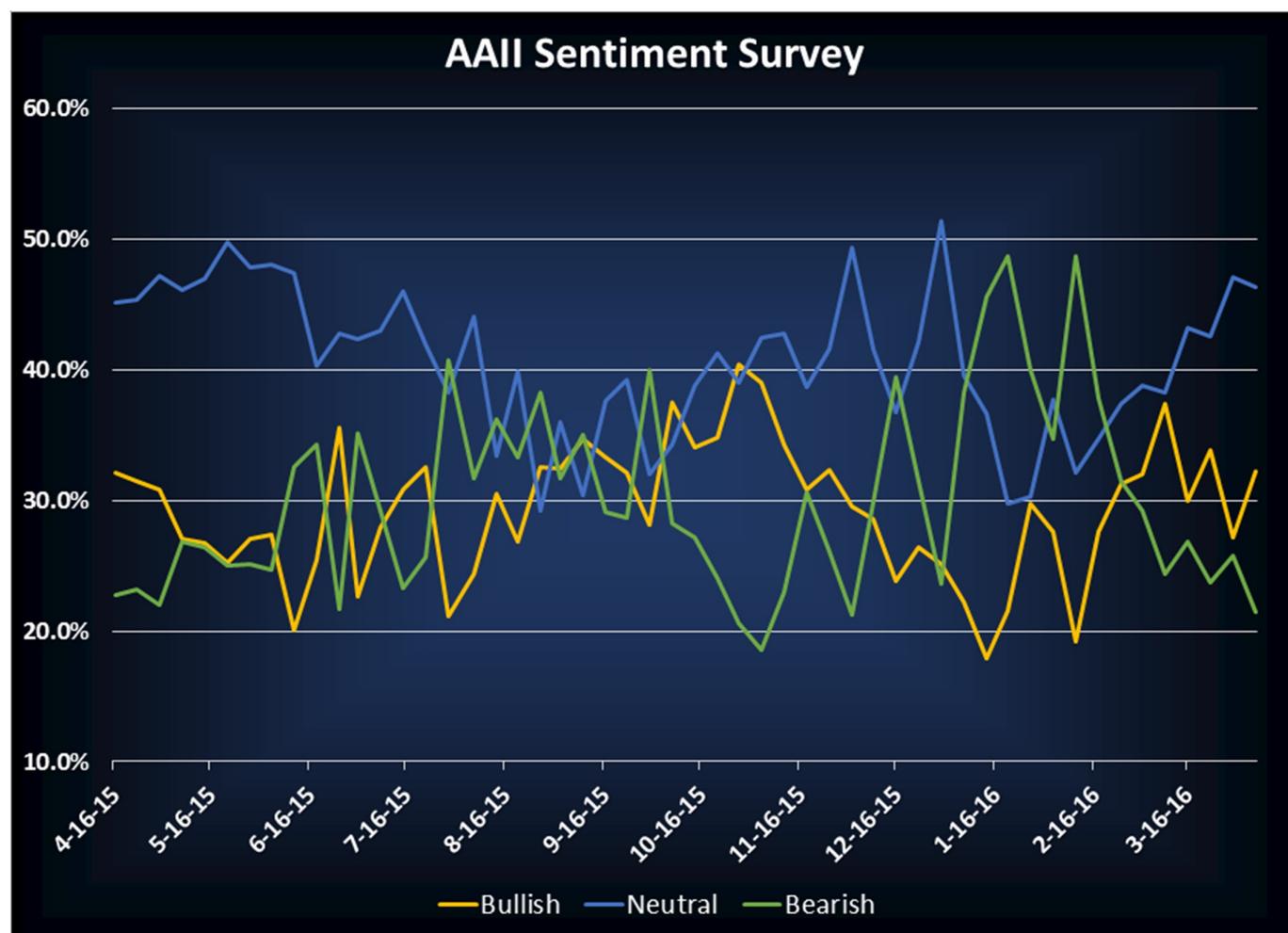


## AII Sentiment Survey: Pessimism Falls to a Five-Month Low



Pessimism among individual investors about the short-term direction of stock prices is at its lowest level in five months, according to the latest AII Sentiment Survey. Nonetheless, less than one in three individual investors are optimistic.

Bullish sentiment, expectations that stock prices will rise over the next six months, rebounded by 5.0 percentage points to 32.2%. The rise mostly, but not completely, reverses last week's drop. The increase is not enough to prevent bullish sentiment from staying below its historical average of 39.0% for the 22nd consecutive week and the 55th out of the past 57 weeks.

Neutral sentiment, expectations that stock prices will stay essentially unchanged over the next six months, receded 0.7 percentage points to 46.3%. This is the 10th consecutive week and the 62nd out of the past 66 weeks with a neutral sentiment reading above its historical average of 31.0%.

Bearish sentiment, expectations that stock prices will fall over the next six months, fell 4.3 percentage points to 21.5%. This is the lowest level of pessimism recorded by our survey since December 3, 2015 (21.2%). It is also the sixth consecutive week bearish sentiment is below its

historical average of 30.0%.

Though pessimism is near the bottom of its typical range, optimism remains relatively low though still within its typical range. During 20 out of the past 21 weeks, less than one in three individual investors have expressed optimism about the short-term direction of the stock market. Bullish sentiment has only exceeded 33% twice since mid-November, on March 10 (37.4%) and March 24 (33.8%).

Giving individual investors cause for concern is the slow pace of U.S. economic growth and uncertain global economic growth, terrorism and global unrest, lackluster corporate earnings and the prevailing level of valuations. Some AAI members, however, are encouraged by the sustained domestic economic growth, expected corporate earnings growth and still-low energy prices.

This week's AAI Sentiment Survey results:

- Bullish: 32.2%, up 5.0 percentage points
- Neutral: 46.3%, down 0.7 percentage points
- Bearish: 21.5%, down 4.3 percentage points

Historical averages:

- Bullish: 39.0%
- Neutral: 31.0%
- Bearish: 30.0%

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**.