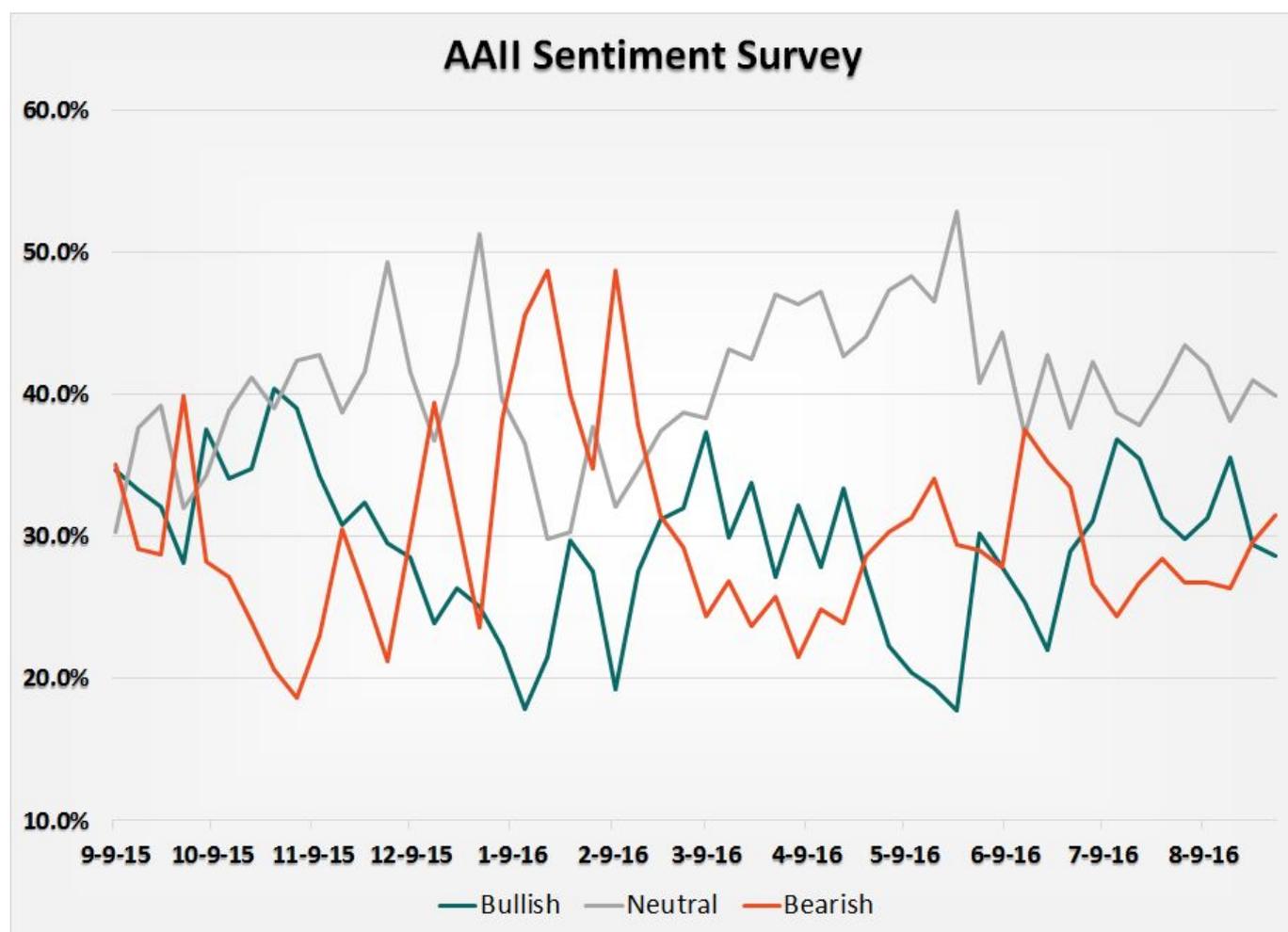


AII Sentiment Survey: Pessimism Rises Above 30%



Pessimism among individual investors about the short-term direction of the market is above 30% for the first time in nine weeks, according to the latest AII Sentiment Survey. Optimism and neutral sentiment, meanwhile, both are both slightly lower.

Bullish sentiment, expectations that stock prices will rise over the next six months, declined 0.8 percentage points to 28.6%. Optimism was last lower on June 22, 2016 (22.0%). This is the 76th week out of the past 78 that optimism is below its historical average of 38.5%.

Neutral sentiment, expectations that stock prices will stay essentially unchanged over the next six months, pulled back by 1.1 percentage points to 39.9%. Even with the decline, this is the 31st consecutive week that neutral sentiment is above its historical average of 31.0%.

Bearish sentiment, expectations that stock prices will fall over the next six months, rose 1.9 percentage points to 31.5%. Pessimism was last higher on June 29, 2016 (33.4%). This week's increase is not large enough to prevent bearish sentiment from staying below its historical average of 30.5% for a ninth consecutive week, however.

Optimism has now pulled back by a cumulative 7.0 percentage points since rising to its third-highest level of the year (35.6%) two weeks ago. Over the same period of time, pessimism has rebounded by 5.2%. Beyond the current stabilization of market prices following this summer's rally, there has not been any new events to sway individual investors' sentiment in one direction or the other over the past two weeks.

Rather, many individual investors continue to express concerns about valuations and/or awaiting the outcome of the presidential election. Also keeping some individual investors bearish or at least giving them reason to be cautious are global economic uncertainty and disappointment with corporate earnings growth. Giving other individual investors reason for optimism are this summer's upward movement in stock prices, the perceived lack of investment alternatives, corporate earnings and sustained, albeit slow, economic growth.

This week's AAI Sentiment Survey results:

- Bullish: 28.6%, down 0.8 percentage points
- Neutral: 39.9%, down 1.1 percentage points
- Bearish: 31.5%, up 1.9 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**.