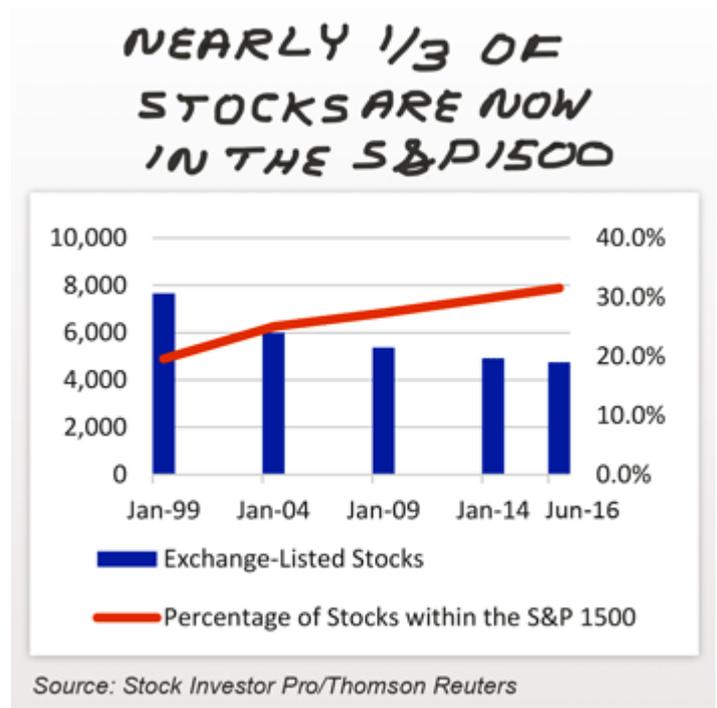


Implications of the Declining Number of Stocks

☒ Ten companies were expected to complete their initial public offerings this week. Normally, this would be ho-hum news unless it involved a very well-known company. [I doubt Blue Apron (APRN), which went public this morning, has enough name recognition outside of millennials to count as being well-known.] What makes this week notable is that if all 10 deals do price, it would be the busiest week for IPOs in two years, based on data from Dealogic.

The busy IPO schedule follows a Wall Street Journal column written last week by Jason Zweig discussing [an approximate 50% drop](#) in the number of exchange-listed stocks from 1997 until now. We decided to take a closer look at the numbers using our [Stock Investor Pro](#) fundamental stock screening and research database program. Those of you who subscribe to our [AAll Dividend Investing](#) newsletter may have seen a bit of the analysis we did last week.



We used five-year intervals starting in December 1999 (two years later than Zweig's starting date), adding in one two-and-half-year cycle to give us present-day data (as of last week). Our analysis also shows a substantial drop, with the number of exchange-listed stocks falling from 7,660 in December 1999 to 4,753 as of last week. Notably, the number of dividend-paying stocks has declined by a far smaller amount: 2,206 in 1999 to 1,963 in 2017. [Continue Reading »](#)

More on AAll.com

- [The Case for Systematic Decision-Making](#) - Quantitative approaches work better than humans because they aren't subject to the influence of behavioral biases.
- [The IPO Prospectus: How to Read the Fine Print](#) - Given the number of companies that are

going/have gone public this week, I thought it might be helpful to remind you of this 2005 *AAII Journal* article.

Highlights from this month's *AAII Journal*

- **Piotroski Price-to-Book Screen** - AAI President John Bajkowski shows how the F-Score, which analyzes a company's underlying financial strength, can be used for stocks with high and low price-to-book ratios.
 - **The Dual Personalities of Investors** - Volatility remains historically low, but when turbulence returns to the market, investors should beware of the potential for their personalities to move into a "dark zone."
-

AAII Sentiment Survey

Neutral sentiment rose to its highest level in nearly a year, while pessimism fell to its second-lowest level of 2017. [More about this week's results.](#)

This week's results:

- Bullish: 29.7%, down 2.9 points
- Neutral: 43.4%, up 5.0 points
- Bearish: 26.9%, down 2.1 points

Historical averages:

- Bullish: 38.5%
- Neutral: 31.0%
- Bearish: 30.5%

Take the [Sentiment Survey](#).

The Week Ahead

The U.S. financial markets will be open on Monday, but closed on Tuesday. The U.S. stock exchanges will close early, 1 p.m. ET, on Monday. Our offices will be closed on both Monday and Tuesday. Have a happy and safe Fourth of July!

There are no S&P 500 companies scheduled to report earnings.

The week's first economic reports will be June Purchasing Managers' Manufacturing Index, the June ISM manufacturing index and May construction spending. All three will be released on Monday. Wednesday will feature June's factory orders as well as the minutes from the June Federal Open Market Committee meeting. On Thursday, the June ADP Employment Report, May international trade data and the June ISM non-manufacturing index will be released. Ending the week, on Friday, will June employment data, including the change in nonfarm payrolls and the unemployment rate.

Two Federal Reserve officials will make public appearances. St. Louis president James Bullard will speak on Monday and San Francisco president John Williams will speak on Thursday.

Local Chapter Meetings

AII Local Chapter Meetings offer you a variety of presentations from expert speakers who will give you their view on the world of investing. A bonus of attending a Chapter Meeting near you is the opportunity to meet other AII members who share your interest and enthusiasm for investing. You can even share the Chapter experience with your family and friends by inviting them to attend Chapter Meetings with you! [Upcoming Meetings »](#)

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KEYNOTE SPEAKER

Bruce Johnstone

*Senior Managing Director
and Marketing Investment
Strategist, Fidelity*

“Business Confidence Rejuvenated? Could Economic Growth and Markets Follow?”

Johnstone is a former Navy officer with degrees from Harvard who has had a colorful and successful career managing money and directing strategy at Fidelity Investments. Johnstone’s claims to fame include:

- Managing the Fidelity Equity-Income Fund from 1972–1990 where he achieved a return of nearly twice that of the S&P 500. His performance ranked him the #1 equity-income fund manager in the nation for the 19-year period.
- Money magazine calls him, “the best income investor.”

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