

Investor Opinion Divided on Market Trading Near Record High

This week's special question asked AAI members whether it makes sense for the S&P 500 to be trading near its record high. Respondents were divided: 38% said it makes sense and 36% said it doesn't. The low levels of interest rates and bond yields were primarily cited as the reasons why it makes sense for the S&P 500 to be trading at current levels. The lack of adequate earnings growth and stock valuations were the primary reasons given for why the large-cap index shouldn't be trading at current levels.

Here is a sampling of the responses:

- "It makes sense at the current level of interest rates."
- "It does. Interest rates are at historically low levels and the economy is doing reasonably well."
- "No, because earnings continue to decline, as do revenues."
- "It seems too high compared to estimated corporate earnings."
- "Only in this alternate universe with ridiculously low interest rates could the S&P be where it is."

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