

# Majority of Investors Expect Market to Rise in 2018

Last week's Sentiment Survey special question asked AAI members how big a percentage gain or loss the S&P 500 will realize in 2018. Nearly two out of five respondents (37%) expect the large-cap index to rise between 6% and 10%. An additional 13% of respondents predict the S&P 500 will realize a gain of between 1% and 5%, 14% expect an increase of between 11% and 15% and 7% think the index could rise by 16% or more. Tax reform was the most common reason given for the optimism, followed by economic growth. A little under 7% of respondents think the S&P 500 will end 2018 down by single digits, while 10% believe the index could incur a double-digit percentage drop. Many respondents anticipate greater volatility with a pullback occurring at some point during the year.

Here is a sampling of the responses:

- "8% gain. Continued global economic expansion and the U.S. tax cut will likely push equity prices up."
- "Tax reform should boost the S&P 500 by 15%."
- "Tax reform helps, but the market is already ahead of itself. I'd say 6%."
- "I estimate a 10% increase by mid-year, but a pullback late in 2018 with further interest rate increases."
- "5%. My guess is as good as anyone's. Volatility will increase."
- "It will dip in the 10% range as some of the many events that could provide a catalyst for a drop finally impact the market."

*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.***