

Members Share Thoughts on Market Rebound

This week's Sentiment Survey special question asked AAI members to share their thoughts about the stock market's rebound off of late September/early October lows. Slightly more than one out of every four respondents (27%) said the rebound was either expected or not surprising. Many thought stocks have become oversold. About 17% said they are unsure if the current rally will continue. An additional 15% do not expect the rally to continue. Several of these respondents used the words "bear market rally" to describe the recent rebound. Nearly 7% think the market could be relatively range-bound over the foreseeable future. Approximately 5% said they were surprised by the speed of the rebound.

The Federal Reserve was specifically mentioned by 15% of respondents. Some believe postponement of a rate hike at the last meeting helped the market to rebound, while others say current monetary policy and the threat of a rate hike occurring at the December meeting is hurting stocks or is causing uncertainty to continue.

Here is a sampling of the responses:

- "This year, there seems to be a lot of up and down movement without a clear direction."
- "Just a normal and typical bounce back from being oversold."
- "I did not expect this fast and complete recovery."
- "Nothing to get excited about; the market will remain choppy."
- "A bear market rally. No adequate buying power was demonstrated."
- "Good, but can it be sustained? I'm concerned a bit about a Fed rate increase."