

Nearly Half of Investors Believe Current Optimism Is Too High

This week's **Sentiment Survey** special question asked AAI members for their opinion about the overall level of optimism (from both individual and institutional investors) being reflected by the market so far this year. Responses were split primarily into two groups. Nearly 49% think optimism is currently too high. Some of these respondents think the market is reflecting euphoria or irrational exuberance or has gotten ahead of itself. Conversely, 39% of respondents think the level of optimism is justified or is otherwise warranted. Several of these respondents pointed to the tax cuts, the changes in the regulatory environment or economic growth.

Here is a sampling of the responses:

- "Everyone is bullish and optimistic about the coming year, but I will quietly prepare for the cliff."
- "Businesses and individual investors are positive about economic growth in the short to intermediate term (one to two years)."
- "I feel the guys who were on the sidelines are jumping in now and driving the market to new highs."
- "I think it's warranted by corporate tax reform and the general improvement in the economy."
- "I think things are way too exuberant."
- "I believe optimism is too high and yet I'm optimistic!"

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