

One in Three Respondents See Negative Impact From the Fed

This week's **Sentiment Survey** special question asked AAI members what type of impact they perceive monetary policy to be having on the stock market. More than one out of three respondents (37%) said that the Federal Reserve is having a negative impact. Several (12% of all respondents) believe that continued low interest rates are artificially boosting stock prices and/or creating long-term harm, that rate hikes will hurt stock prices or that the central bank is creating uncertainty. Nearly 25% of all respondents do not believe that the Federal Reserve is having much or any impact on stocks, primarily because of the gradual pace at which rates are being raised. Only 8% of all respondents think the Federal Reserve is having a positive impact on the stock market.

Here is a sampling of the responses:

- “None. I think an expected gradual rise in interest rates is already priced into the markets.”
- “A dampening effect—any rise in rates spooks investors.”
- “Downward impact because of the uncertainty caused by failing to be specific about what their plans are regarding interest rates.”
- “Keeping interest rates low is driving money into the market and fueling the bull.”
- “No impact so far. The move by the Fed was too small to have an impact. Also, other economic factors have come into play.”
- “More than it should by any measure.”

Want to weigh in? Take the survey yourself and see results online at

<http://www.aai.com/sentimentsurvey>.

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