

Q2 Earnings Not Influencing Outlook for Many Individual Investors

This week's special question asked AAI members if, and why, second-quarter earnings have impacted their six-month outlook towards stock prices. Slightly less than half of all respondents (49%) said the quarterly results haven't impacted their outlook. Many of these members said either they are more focused on the economy or that quarterly earnings are too short-term of an indicator. Just under 23% of respondents said second-quarter earnings have positively influenced their outlook. Many of these respondents said earnings are improving. Earnings were viewed negatively or not good enough to justify current valuations by about 12% of respondents.

Here is a sampling of the responses:

- "Earnings are not necessarily the real indicator of the underlying economy."
- "They are too short-term and thus unimportant in the long-term."
- "I believe the market is showing strength in varied sectors and the corporate profits are improving."
- "Earnings were good overall in the second quarter. The economy is slowly improving."
- "They're still not high enough to justify the sky-high valuations."