

## Rate Hikes Minimally Affect Investors' Outlook

This week's **Sentiment Survey** special question asked AAI members how this year's rate hikes and the Federal Reserve's intention to further tighten monetary policy are impacting their market outlook. Slightly more than half of all respondents (51%) said the hikes are either having no impact or only a minimal impact on their outlook. Several of these respondents said the gradual removal of stimulus was already factored into the market. About 22% thought the rate hikes were a positive sign, primarily because they reflect improving economic conditions. Approximately 11% of respondents had the opposite view and think the rate hikes could be bad for stocks. Many of them expressed concerns about a forthcoming pullback in stock prices.

Here is a sampling of the responses:

- "The markets have already priced in rates hikes; no change in my market outlook."
- "Makes me more bullish. The Fed is showing confidence in the economy."
- "I believe the anticipated Fed's moves will have a neutral effect on the market. Political impacts...who knows?!"
- "Rate hikes and overbought equities make me think a correction is coming."

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