

Record Highs Affecting Outlook for Half of AAI Members

This week's **Sentiment Survey** special question asked AAI members how the record highs set by the S&P 500 and the NASDAQ this year have influenced their outlooks for the overall market. Slightly more than half of all respondents (51%) to the open-ended question described themselves as being either more pessimistic or more cautious. Many of these respondents cited prevailing valuations, the risk of a correction and the lack of progress by President Trump on his economic initiatives.

Conversely, nearly 19% of respondents said they are optimistic about the direction of the stock prices due to momentum, earnings growth and economic growth. About 14% said the record highs were not influencing their outlook, either because they are long-term investors or because they are more focused on the political situation in Washington, D.C.

Here is a sampling of the responses:

- "Waiting for the correction. Prices are fairly rich and President Trump's lack of accomplishment should hasten a downside move."
- "Has made me more cautious about adding to my investments."
- "It has not influenced my outlook since I am a steady contributor and am not looking to time the market."
- "A feeling of uncertainty as to when the inevitable peak is coming, but not bearish yet."
- "Earnings are good overall and there's no better place to put money."

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