

## AAII Sentiment Survey: Neutral Sentiment Falls to Nearly a Six--Month Low

The percentage of individual investors describing their six-month outlook for stocks as “neutral” is at its lowest level in nearly six months. The latest AAI Sentiment Survey also shows increases in both optimism and pessimism.

Bullish sentiment, expectations that stock prices will rise over the next six months, rebounded by 2.3 percentage points to 35.6%. Even with the increase, optimism remains below its historical average of 38.5% for the 35th time this year.

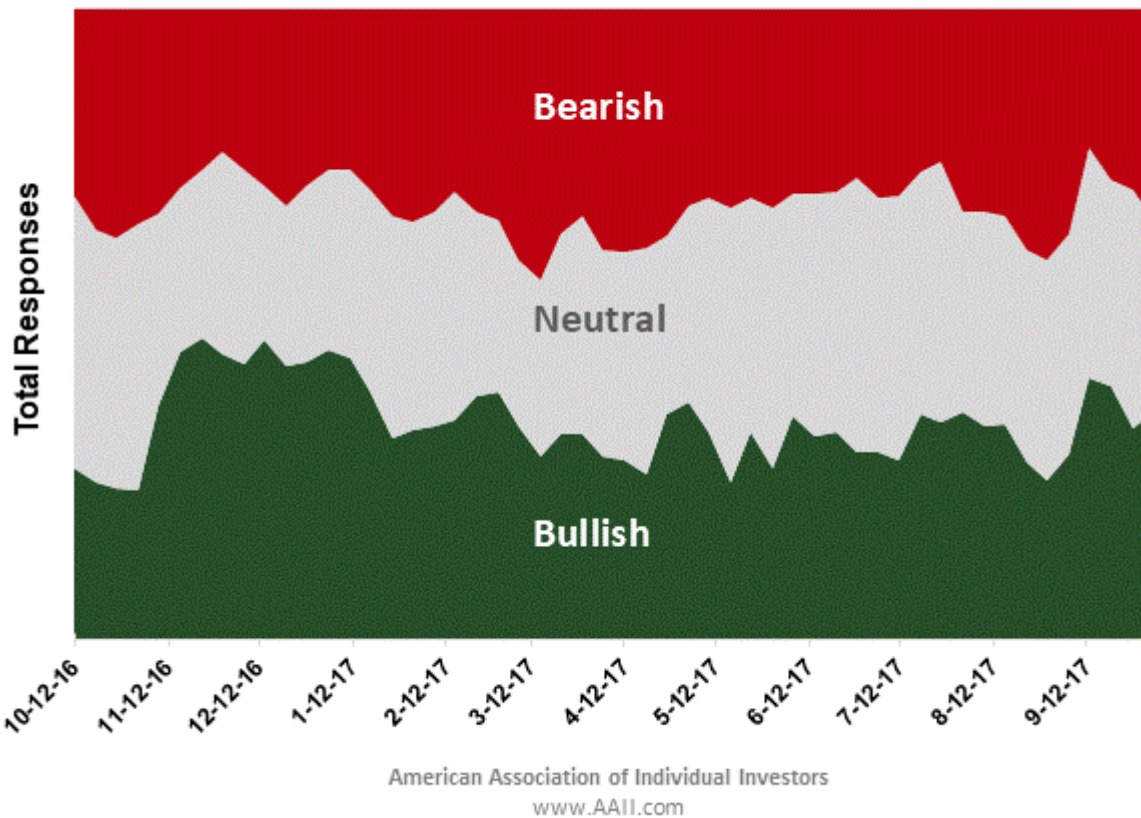
Neutral sentiment, expectations that stock prices will stay essentially unchanged over the next six months, fell 6.3 percentage points to 31.6%. Neutral sentiment was last lower on April 26, 2017 (30.2%). The drop follows what had been a nine-week high. This is the 23rd consecutive week that neutral sentiment is above its historical average of 31.0%.

Bearish sentiment, expectations that stock prices will fall over the next six months, rose 4.1 percentage points to 32.8%. The increase puts pessimism back above its long-term historical average of 30.5% for the first time in four weeks.

This is the seventh time in the past 10 weeks with a bearish sentiment reading above its historical average. Since the start of the year, there have been 23 weeks with an above-average level of pessimism. In contrast, bullish sentiment has only been above average in five out of this year’s 40 weekly sentiment readings as noted above.

Political drama in Washington remains at the forefront of many individual investors’ minds. (Many are skeptical about the prospects of tax reform being passed, as the answers to this week’s special question show.) Valuations are also playing a role, creating concern among some about stocks being overpriced and potentially leading to a drop in prices. Others, however, are encouraged by the continuing economic and earnings growth.

# AII Sentiment Survey



This week's AII Sentiment Survey results:

- Bullish: 35.6%, up 2.3 percentage points
- Neutral: 31.6%, down 6.3 percentage points
- Bearish: 32.8%, up 4.1 percentage points

Historical averages:

- Bullish: 38.5%
- Neutral: 31.0%
- Bearish: 30.5%

Want to weigh in? Take the survey yourself and see results online at [www.aai.com/sentimentsurvey](http://www.aai.com/sentimentsurvey).

*If you want to become an effective manager of your own assets and achieve your financial goals, consider a **risk-free 30-day Trial AII Membership**.*