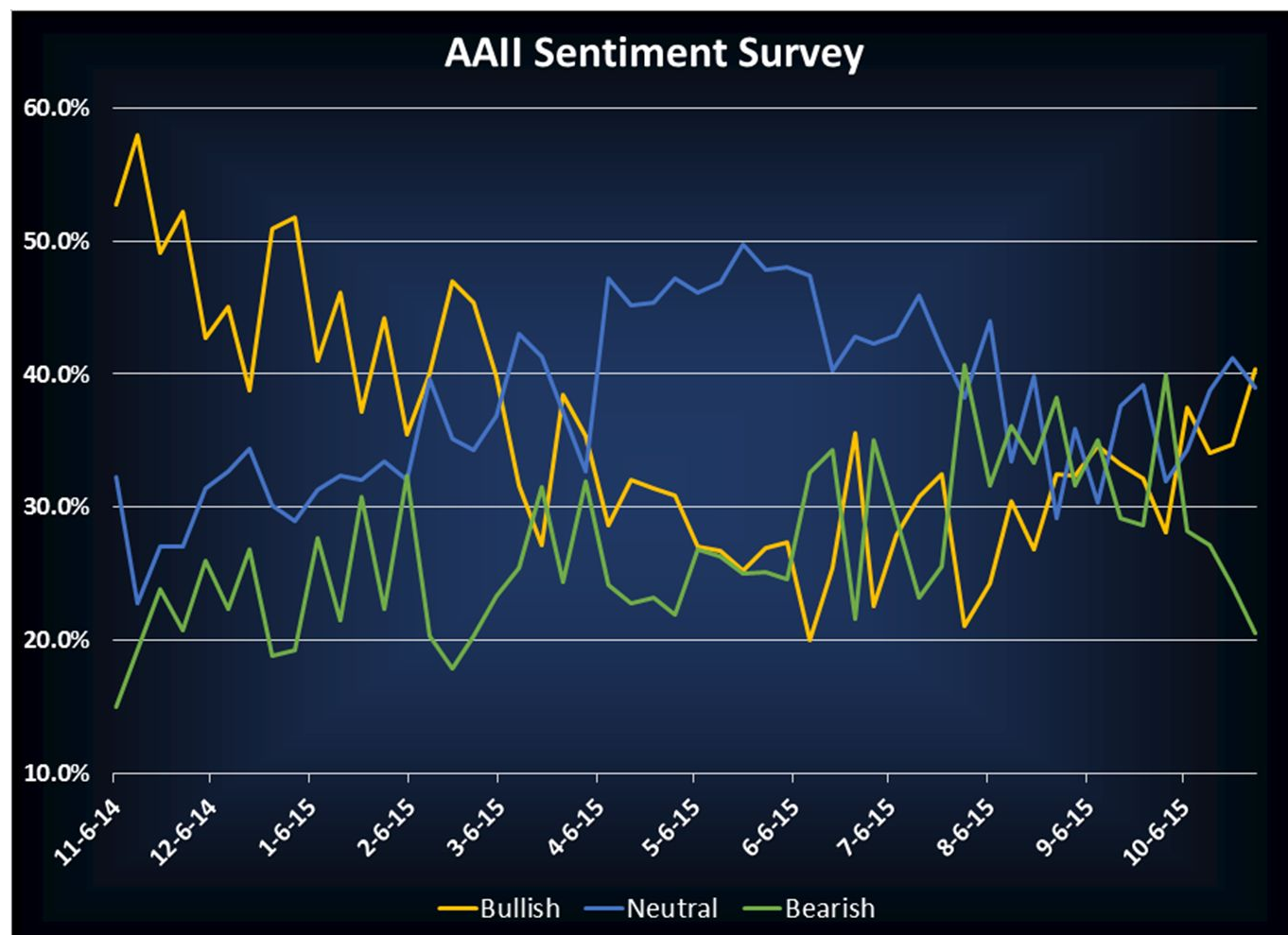


AAII Sentiment Survey: Optimism Above 40% for First Time in 35 Weeks



Optimism among individual investors rose to its highest level and pessimism fell to its lowest level since last February, according to the latest AAI Sentiment Survey. Neutral sentiment, meanwhile, continued to stay above its historical average.

Bullish sentiment, expectations that stock prices will rise over the next six months, surged 5.6 percentage points to 40.4%. This is the first time optimism has been above 40% since February 26, 2015 (45.4%). This week's jump also ends a record 33-week stretch of bullish sentiment readings that were below its historical average of 39.0%. (Optimism was at 39.8% on March 5, 2015.)

Neutral sentiment, expectations that stock prices will stay essentially unchanged over the next six months, pulled back by 2.2 percentage points to 39.0%. Even with the decline, neutral sentiment remains above its historical average of 31.0% for the seventh consecutive week and the 41st week this year.

Bearish sentiment, expectations that stock prices will fall over the next six months, fell 3.4 percentage points to 20.6%. Pessimism was last lower on February 26, 2015 (20.3%). The historical

average is 30.0%. This week's drop puts bearish sentiment at the bottom of its typical range.

Since jumping to 39.9% on September 30, 2015, as the S&P 500 retested its August lows, pessimism has fallen by a cumulative 19.3 percentage points. Optimism, conversely, has only risen by 12.3 percentage points over the same period and has shown greater week-to-week variance. (Pessimism has declined for four consecutive weeks.) The shift has occurred as the S&P 500 has rebounded and is now nearing its pre-correction levels.

In addition to market trends, short-term sentiment among AAI members is being impacted by global and international events (particularly China and global economic weakness), U.S. monetary policy, U.S. politics and the pace of U.S. economic growth. Third-quarter earnings surprises may also be having an impact.

This week's AAI Sentiment Survey results:

- Bullish: 40.4%, up 5.6 percentage points
- Neutral: 39.0%, down 2.2 percentage points
- Bearish: 20.6%, down 3.4 percentage points

Historical averages:

- Bullish: 39.0%
- Neutral: 31.0%
- Bearish: 30.0%

The AAI Sentiment Survey has been conducted weekly since July 1987 and asks AAI members whether they think stock prices will rise, remain essentially flat or fall over the next six months. The survey period runs from Thursday (12:01 a.m.) to Wednesday (11:59 p.m.). The survey and its results are available online at: <http://www.aai.com/sentimentsurvey>.