

## AAII Sentiment Survey: Optimism Declines

The latest AAI Sentiment Survey shows a decline in optimism among individual investors about the short-term direction of the stock market. At the same time, both neutral and bearish sentiment are modestly higher.

Bullish sentiment, expectations that stock prices will rise over the next six months, declined by 3.5 percentage points to 35.0%. The drop puts optimism below its historical average of 38.5% for the 13th time in 14 weeks.

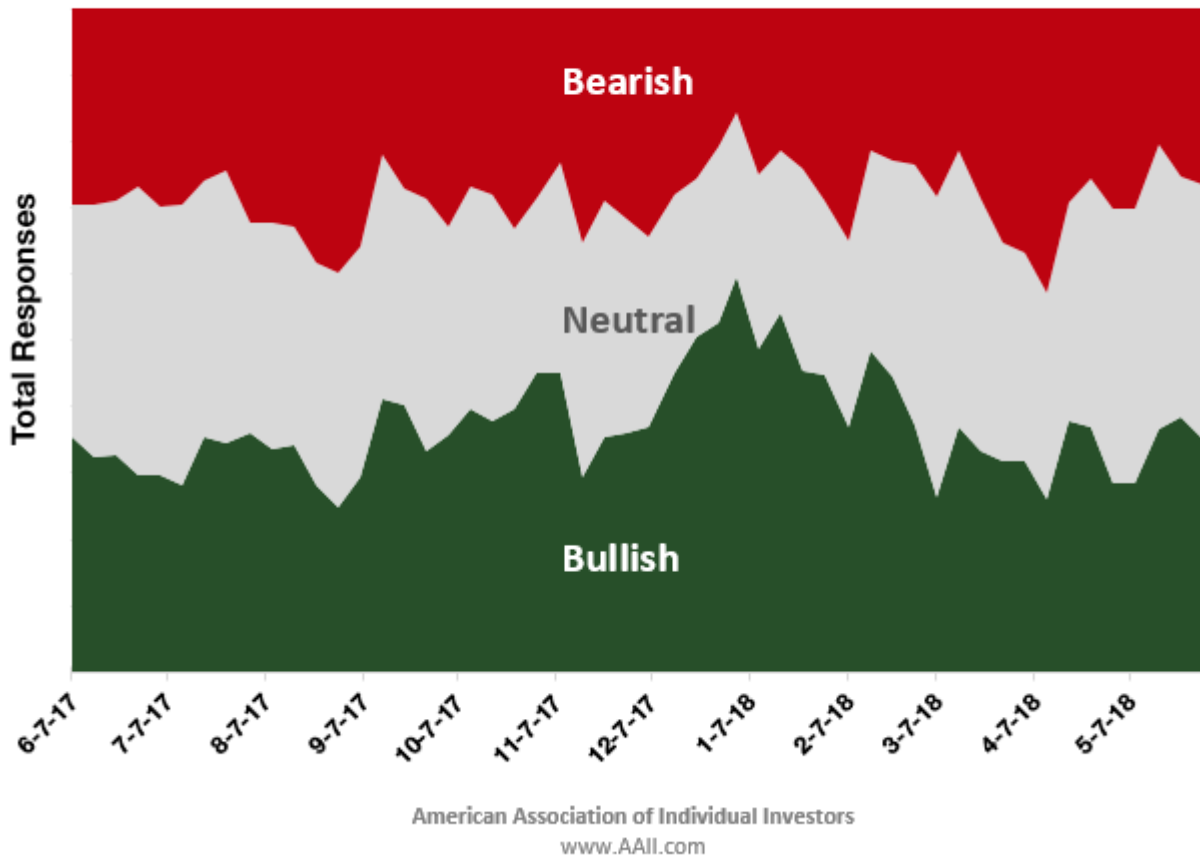
Neutral sentiment, expectations that stock prices will stay essentially unchanged over the next six months, rebounded by 2.4 percentage points to 38.6%. Neutral sentiment is above its historical average of 31.0% for the 15th consecutive week.

Bearish sentiment, expectations that stock prices will fall over the next six months, rose 1.2 percentage points to 26.4%. Bearish sentiment remains below its historical average of 30.5% for the seventh consecutive week and the 21st time out of the past 25 weeks.

The decline in optimism follows what had been a 13-week high. At current levels, all three sentiment indicators are within their typical historical ranges.

Many individual investors, but not all, anticipate continued volatility and/or think that the current political backdrop could have a further impact on the stock market. Trade policy is influencing some individual investors' sentiment. While many either approve of the Federal Reserve's plan to gradually raise interest rates or don't expect it to affect the stock market, some AAI members are concerned about the impact that rising rates will have. Also influencing sentiment are valuations, tax cuts, earnings and economic growth.

# AII Sentiment Survey



This week's AAI Sentiment Survey results:

- Bullish: 35.0%, down 3.5 percentage points
- Neutral: 38.6%, up 2.4 percentage points
- Bearish: 26.4%, up 1.2 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.aaii.com/sentimentsurvey](http://www.aaii.com/sentimentsurvey).

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