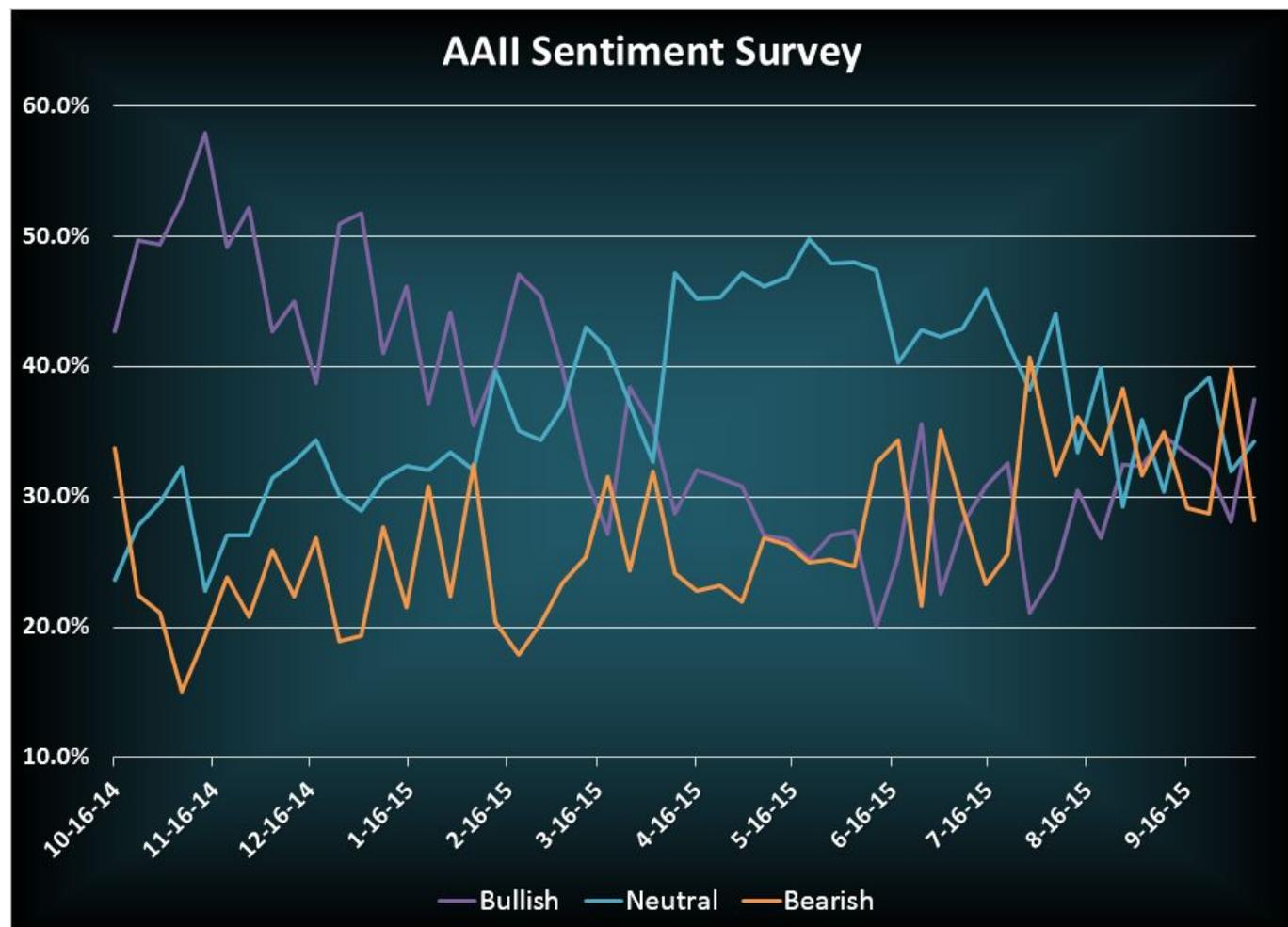


## AII Sentiment Survey: Optimism Jumps to Highest Level Since March



Individual investor optimism about the short-term direction of stock prices is at its highest level in more than six months, according to the latest AII Sentiment Survey. Neutral sentiment also rose, while pessimism plunged.

Bullish sentiment, expectations that stock prices will rise over the next six months, jumped 9.4 percentage points to 37.5%. This is the highest level of optimism recorded by our survey since March 26, 2015 (38.4%). The rise was not large enough, however, to prevent bullish sentiment from staying below its historical average of 39.0% for a record 31st consecutive week.

Neutral sentiment, expectations that stock prices will stay essentially unchanged over the next six months, rose 2.3 percentage points to 34.3%. The increase keeps neutral sentiment above its historical average of 31.0% for the fourth consecutive week and the 37th week this year.

Bearish sentiment, expectations that stock prices will fall over the next six months, plunged 11.7 percentage points to 28.2%. Pessimism was last lower on July 23, 2015 (25.6%). The historical

average is 30.0%.

The big rebound in bullish sentiment occurred as stocks rebounded from their late-September lows. It also follows last week's unusually low level of optimism. Bearish sentiment, on the other hand, pulled back from a reading that was near the top of its historical trend.

This week's shift in sentiment likely reflects optimism on the part of some individual investors that a bottom in the market has been set. Sentiment among individual investors remains mixed, however, with some having bought on the dips and others having increased their cash positions. Impacting AAI members' six-month outlook for stocks are global and international events (particularly China and global economic weakness), U.S. monetary policy, technical factors (seasonal trends, the recent correction or the chance of further price declines occurring), U.S. politics and the pace of U.S. economic growth.

This week's AAI Sentiment Survey results:

Bullish: 37.5%, up 9.4 percentage points

Neutral: 34.3%, up 2.3 percentage points

Bearish: 28.2%, down 11.7 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>.