

# AAII Sentiment Survey: Optimism Surges as Pessimism Plunges

Optimism among individual investors about the short-term direction of stock prices rebounded strongly and pessimism plunged in the latest AAI Sentiment Survey. The changes put bullish and bearish sentiment at a four-week high and low, respectively.

Bullish sentiment, expectations that stock prices will rise over the next six months, jumped 11.5 percentage points to 48.5%. Optimism was last higher on January 17, 2018 (54.1%). This week's increase puts bullish sentiment back above its historical average of 38.5% for the ninth time in 10 weeks.

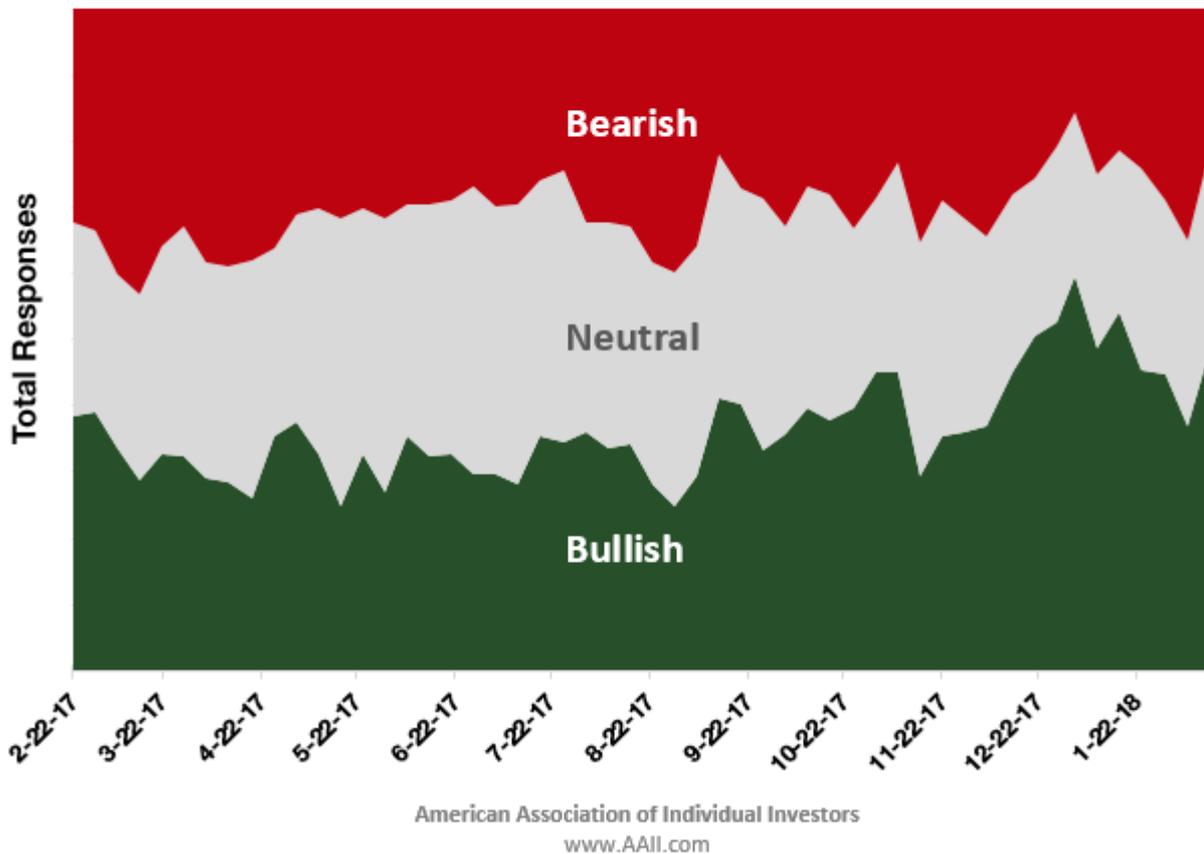
Neutral sentiment, expectations that stock prices will stay essentially unchanged over the next six months, rose 2.1 percentage points to 30.1%. Even with the increase, neutral sentiment remains below its historical average of 31.0% for the 11th consecutive week.

Bearish sentiment, expectations that stock prices will fall over the next six months, fell 13.6 percentage points to 21.4%. Pessimism was last at this level on January 17, 2018. This week's drop puts bearish sentiment below its historical average of 30.5% for the ninth time in 10 weeks.

This week's jump puts bullish sentiment at the top of its typical historical range. The breakpoint between typical and unusually high readings is 48.6%. During the first seven weeks of 2018, bullish sentiment has averaged 48.3%.

The survey period runs Thursday through Wednesday, with email reminders sent out to a rotating group of AAI members every Monday. Prior to the recent correction, some AAI members said they were looking for a drop in prices to either reduce valuations and/or buy stocks. As the responses to this week's special question show, many individual investors saw the correction as being related to the market specifically and not signaling any change in the economy.

# AII Sentiment Survey



This week's AAI Sentiment Survey results:

- Bullish: 48.5%, up 11.5 percentage points
- Neutral: 30.1%, up 2.1 percentage points
- Bearish: 21.4%, down 13.6 percentage points

Historical averages:

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

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: [www.aai.com/sentimentsurvey](http://www.aai.com/sentimentsurvey).

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

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