

AII Sentiment Survey: Pessimism Falls to a Six-Week Low

Pessimism among individual investors about the short-term direction of stock prices is at a six-week low according to the latest AII Sentiment Survey. This week's survey also shows higher neutral sentiment and lower optimism.

Bullish sentiment, expectations that stock prices will rise over the next six months, declined by 0.9 percentage points to 36.9%. Optimism is below its historical average of 38.5% for the ninth consecutive week and the 10th time in 12 weeks.

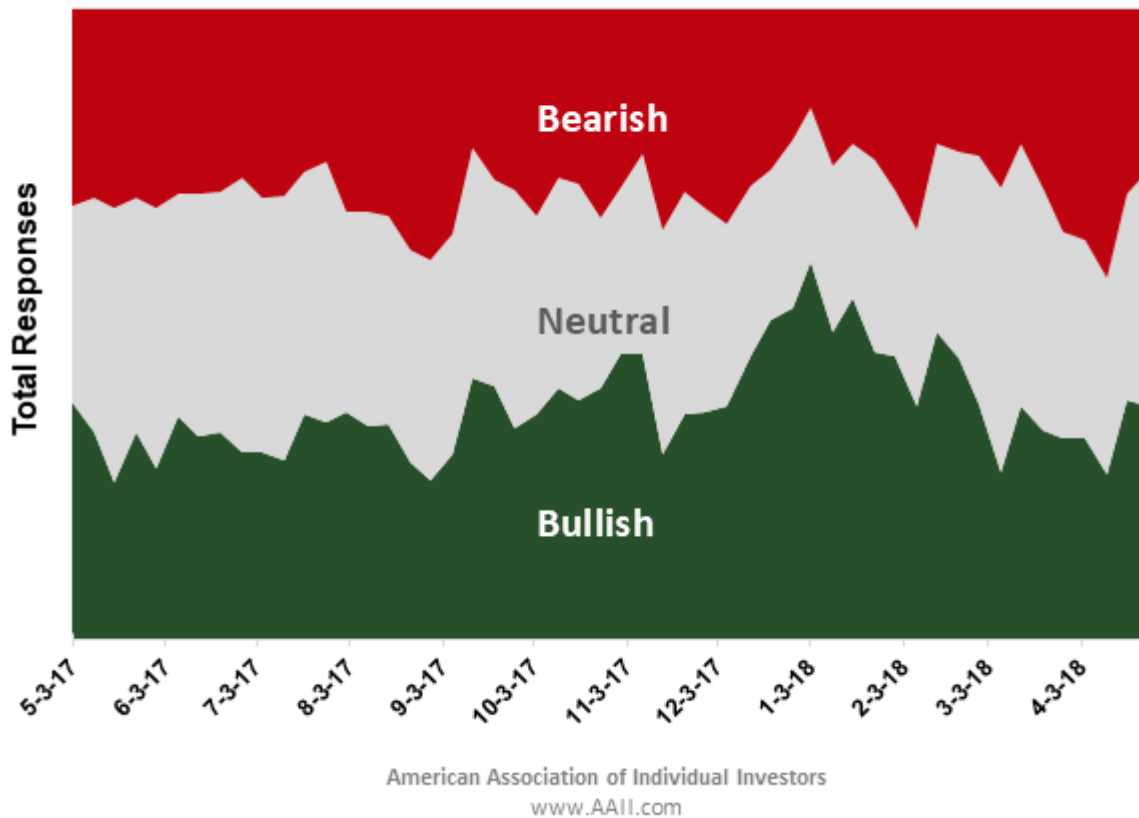
Neutral sentiment, expectations that stock prices will stay essentially unchanged over the next six months, jumped 4.5 percentage points to 37.5%. Neutral sentiment is above its historical average of 31.0% for the 10th consecutive week.

Bearish sentiment, expectations that stock prices will fall over the next six months, fell 3.7 percentage points to 25.6%. Pessimism was last lower on March 14, 2018 (21.3%). The historical average is 30.5%.

At current levels, all three indicators are within their typical historical levels.

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 individual investors either approve of the Federal Reserve's plan to gradually raise interest rates or don't expect it to affect the stock market, some 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 AII Sentiment Survey results:

- Bullish: 36.9%, down 0.9 percentage points
- Neutral: 37.5%, up 4.5 percentage points
- Bearish: 25.6%, down 3.7 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.

*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***