

Half of Investors Favor Additional Rate Hikes This Year

This week's **Sentiment Survey** special question asked AAI members what they thought about the Federal Open Market Committee (FOMC) potentially raising interest rates one or two more times this year. Nearly half of all respondents (48%) think it is a good idea. Many of these respondents say that the central bank needs to continue normalizing rates, that it's the right time to keep raising rates, that it's a sign of sustained economic growth or that the hikes help to counteract inflation. Approximately 24% expect more rate increases this year, with more respondents anticipating two hikes instead of one. Nearly 13% think further increases would be a bad idea because of the potentially negative impact on the economy and/or stocks. Some respondents add that a trade war would alter their opinions.

Here is a sampling of the responses:

- "Great idea. Get back to some degree of normalcy."
- "I think that it is pretty much expected and would not hurt dramatically if that was the only influence."
- "Interest rate hikes probably need to happen. However, trade wars and a lack of wage increases is a concern."
- "Not much. I believe expectations for further rate hikes are already baked into the market."
- "Could pose a danger to the financial markets and asset prices."

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