

# Investors Split on Reaction to Indexes' Lackluster Performance

This week's **Sentiment Survey** special question asked AAI members how the Dow Jones industrial average's and the S&P 500 index's inability to revisit their respective January highs is impacting their sentiment toward stocks. Respondents generally fell into one of three groups. The largest group, representing 39% of all respondents, say the lack of new highs mostly is not impacting their sentiment. Many of them describe themselves as long-term investors or see this as normal market activity. Just under 30% have become more cautious, with several saying they are holding off on buying new stocks or are uncertain about how the macro (especially political) backdrop will evolve. About 29% are optimistic about stock prices, particularly because they believe a short-term bottom has either already been set or because the economy is continuing to grow.

Here is a sampling of the responses:

- "The fact that the Dow and the S&P 500 are below their highs means that I'm buying at a lower price."
- "It's not. I think we are still in a bull market and stocks will go up this year."
- "I'm a bit more cautious and more cognizant of the volatility; however, I feel the economy and fundamentals are solid, so I'm still bullish."
- "I am staying invested; I am not adding at this time as I am building my cash balance to entertain some upcoming purchases."
- "More careful regarding stock selection. Not necessarily more conservative, but I am taking fewer chances."

*If you want to become an effective manager of your own assets and achieve your financial goals, consider a **risk-free 30-day Trial AAI Membership***