

Two out of Five Investors View Trade Policy Changes as Harmful to Stocks

This week's **Sentiment Survey** special question asked AAI members how the changes (actual and anticipated) to trade policies are impacting their expectations of how U.S. stocks will perform. Slightly more than two out of five respondents (41%) say the changes will hurt stocks and/or the economy. Conversely, nearly 24% of respondents don't expect trade policy to have a lasting impact and 13% think it will eventually help stock prices. About 6% of respondents are waiting to see what happens, while another 6% say the effects will depend on whether a company operates in foreign or domestic markets.

Here is a sampling of the response:

- "I expect trade policies to be a negative for the market until they are reversed."
- "I expect a trade war with our trading partners to negatively impact the U.S. economy."
- "It will help the stock market. The U.S. economy will be stronger in the long run."
- "The anticipated changes in trade policy will have a minimal effect on stock prices. If it turns into a trade war, the effect could be a major negative one."
- "Overall, I think it will be a net benefit to small companies and possibly hurt mega-cap international companies."

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