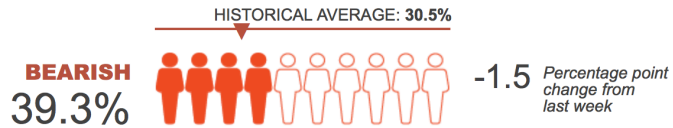
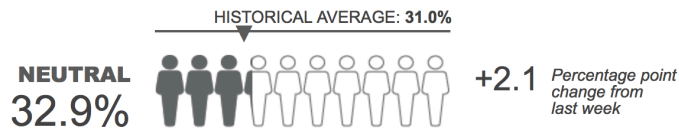
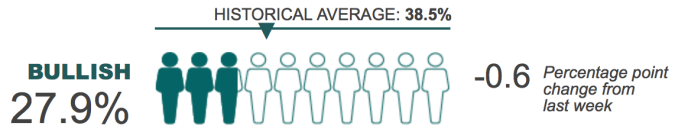


Since 1987, AAI members have been answering the same simple question each week. The results are compiled into the AAI Investor Sentiment Survey, which offers insight into the mood of individual investors.

Survey Results for Week Ending 7/4/2018

Data represents what direction members feel the stock market will be in next 6 months.



Note: Numbers may not add up to 100% because of rounding.

AAII Sentiment Survey:

Optimism declined to its lowest level in three months. At current levels, bullish sentiment is unusually low.

July 5, 2018

Optimism among individual investors about the short-term direction of the stock market decreased further, falling to a three-month low. This week's AAI Sentiment Survey also showed higher neutral sentiment and lower pessimism.

Bullish sentiment, expectations that stock prices will rise over the next six months, declined 0.6 percentage points to 27.9%. Optimism was last lower on April 11, 2018 (26.1%). The historical average is 38.5%.

Neutral sentiment, expectations that stock prices will stay essentially unchanged over the next six months, rebounded by 2.1 percentage points to 32.9%. The rise keeps neutral sentiment above its historical average of 31.0% for the 20th consecutive week.

Bearish sentiment, expectations that stock prices will fall over the next six months, pulled back by 1.5 percentage points to 39.3%. The historical average is 30.5%.

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Many—but not all—individual investors 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 as well. While many approve of the Federal Reserve's plan to continue gradually raising interest rates, some AAll members are concerned about the impact that rising rates will have. Also influencing sentiment are valuations, tax cuts, earnings growth and economic growth.

This week's special question asked AAll members how the stock market's performance during the first half of the year compared to what their expectations were back in January. Approximately 45% of respondents describe returns as being worse than expected. Some of these respondents describe stocks as performing "a bit worse" than they had anticipated. Three out of 10 respondents (30%) describe returns as matching expectations. Slightly more than 8% think the market performed better than expected, while 4% say the market was more volatile than they had anticipated.