

Individual Investors Are Not Very Bullish On Stocks Now And That Isn't Necessarily Bad

AAll U.S. Sentiment Survey (Bullish Reading) With Subsequent S&P 500 Index Total Returns

Date (22-23% Bullish Range)	3-Month Total Return	6-Month Total Return	12-Month Total Return
5/5/16 (22.33%)	7.05%	2.79%	19.49%
1/7/16 (22.17%)	5.69%	9.18%	19.77%
7/2/15 (22.61%)	-5.54%	-0.53%	3.50%
7/19/12 (22.19%)	4.71%	9.21%	25.71%
11/5/09 (22.22%)	0.45%	10.38%	17.26%
7/10/08 (22.17%)	-27.84%	-28.00%	-27.94%
2/6/03 (22.86%)	11.96%	16.40%	38.76%
9/3/98 (23.00%)	17.55%	25.88%	40.06%
8/4/94 (22.00%)	1.60%	5.89%	25.33%
5/19/94 (22.00%)	2.32%	2.58%	17.05%

Source: Bloomberg, American Association of Individual Investors (AAll). Past performance is no guarantee of future results.

View from the Observation Deck

1. In July 1987, the American Association of Individual Investors (AAll) began polling its own members in an effort to gain insight into the moods of individual investors.
2. Each week they ask their members if they are bullish, neutral or bearish on the stock market looking out six months. We have chosen to focus on their level of bullishness.
3. When sentiment readings notably fall below or rise above their respective historical norms, some investors may interpret the moves as signals to either buy or sell stocks.
4. On 6/6/19, the index reading stood at 22.53%. From inception of the index to date (7/23/87-6/13/19), the average level of bullish sentiment has been 38.18%. The high and low readings have been 75.00% (1/6/00) and 12.00% (11/15/90), respectively, according to AAll data provided by Bloomberg.
5. Prior to the 22.53% reading on 6/6/19, we identified 10 weekly readings (there were actually 11 but two were back-to-back weeks) that ranged from 22.00-23.00% dating back around 25 years or so. Those dates and readings are referenced in the table above.
6. With the exception of the 7/10/08 reading, which coincided with the 2008-2009 financial crisis, the performance of the S&P 500 Index over the following 3-, 6- and 12-month periods has been largely positive.

This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 Index is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance.

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