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**E*TRADE STUDY REVEALS INVESTORS ARE OPTIMISTIC
DESPITE UNCERTAINTIES ON THE HORIZON**



**More than half of all
investors believe the
U.S. economy is
healthy enough for
additional rate hikes
this quarter**

*Positive sentiment increased across several key measures despite
a potential rate hike and the upcoming U.S. presidential election*

NEW YORK, October 17, 2016 — E*TRADE Financial Corporation (NASDAQ: ETFC) today announced results from the most recent wave of *StreetWise*, E*TRADE's quarterly tracking study of experienced investors. Results indicate a decisive uptick in positive investor sentiment:

- Slightly more than half of all investors believe the market will rise this quarter, up 13 percentage points from Q3.
- Slightly more than half of all investors also believe the U.S. economy is healthy enough for additional rate hikes this quarter, up 20 percentage points from Q3.
- “Easy Rider” is catching up to “Dazed and Confused” as the movie title that best describes investor views of the market. Since Q3, the former increased 9 percentage points, while the latter dropped 10 percentage points.
- The majority of investors remain bullish at 55 percent.

“While Q3 saw investors bracing for the aftershocks of Brexit, going into Q4 investors’ optimism in the market and U.S. economy appears remarkably strong given possible uncertainty surrounding the election and additional Fed action,” commented Mike Loewengart, VP of Investment Strategy at E*TRADE Financial. “Investors may have taken to heart the reality that non-political macro events, like interest rates and inflation, typically affect the market much more than elections.”

The survey also explored where investors feel potential investment opportunities may be this quarter. Mr. Loewengart offered insight into those identified:

- **Information technology.** Half of all investors believe the information technology sector offers potential in Q4, up 6 percentage points from the previous quarter. After investor interest in information technology dipped in Q3, the sector returned to favorability, possibly buoyed by attractive valuations.
- **Financials.** Investor sentiment in financials rose to 32 percent in Q4, up 7 percentage points. As the possibility of a Fed rate hike in Q4 increases, investors may view financials as a sector that could benefit from interest rates moving higher.
- **International markets.** While investors still favor domestic markets, interest in international markets—both developed and emerging—has increased since Q3. Perhaps interest in these markets—specifically the developed countries in Europe—may have risen as concerns over the impact of Brexit may have subsided.

E*TRADE helps investors balance today’s needs with tomorrow’s goals, through pioneering digital tools coupled with guidance online and from financial consultants. To learn more about E*TRADE’s trading and investing platforms and tools, visit etrade.com.

For useful insight from E*TRADE and third-party investment professionals, follow the Company on Twitter, [@ETRADE](https://twitter.com/ETRADE).

About the Survey

This wave of the survey was conducted from October 1 to October 10 of 2016 among an online U.S. sample of 954 self-directed active investors who manage at least \$10,000 in an online brokerage account. The survey has a margin of error of ± 3.18 percent at the 95 percent confidence level. It was fielded and administered by ResearchNow. The panel is broken into thirds of active (trade more than once a week), swing (trade less than once a week but more than once a month) and passive (trade less than once a month). The panel is 65 percent male and 35 percent female with an even distribution across online brokerages, geographic regions, and age bands.

Referenced Data

<i>When it comes to the current market are you?</i>					
	Q4'16	Q3'16	Q2'16	Q1'16	Q4'15
Bullish	55%	55%	61%	45%	50%
Bearish	45%	45%	39%	55%	50%

If you had to pick a movie title that best describes how you personally feel about the market right now, which would it be?

	Q4'16	Q3'16	Q2'16	Q1'16	Q4'15
Dazed and Confused	30%	40%	31%	33%	38%
Easy Rider	26%	17%	20%	14%	18%
Pulp Fiction	12%	12%	12%	13%	12%
Singin' in the Rain	11%	9%	13%	7%	9%
Raging Bull	7%	5%	6%	4%	5%
Fear and Loathing in Las Vegas	6%	8%	8%	11%	7%
Jackass	6%	5%	6%	7%	6%
Apocalypse Now	3%	4%	4%	9%	4%

How do you predict the market will end this quarter?

(Question asked beginning in Q1'16)

	Q4'16	Q3'16	Q2'16	Q1'16
Rise	54%	41%	59%	34%
Rise 20%	1%	1%	1%	0%
Rise 15%	2%	1%	2%	3%
Rise 10%	8%	5%	9%	10%
Rise 5%	44%	34%	47%	21%
Stay basically where it is	22%	28%	21%	20%
Drop 5%	19%	24%	16%	23%
Drop 10%	4%	6%	4%	16%
Drop 15%	1%	1%	0%	5%
Drop 20%	0%	0%	0%	2%
Drop	24%	31%	20%	46%

Is the U.S. economy healthy enough for the Fed to enact additional rate hikes this quarter?

	Q4'16	Q3'16	Q2'16	Q1'16
Agree (Top 2 Box)	53%	33%	41%	47%
Strongly agree	12%	6%	9%	7%
Somewhat agree	41%	27%	32%	40%
Neither agree nor disagree	27%	30%	29%	27%
Somewhat disagree	15%	28%	20%	19%
Strongly disagree	5%	9%	10%	7%
Disagree (Bottom 2 Box)	20%	37%	30%	26%

How interested are you in each of the following sectors, without taking into account the investment products which you can invest through? (% extremely or very interested)					
	Q4'16	Q3'16	Q2'16	Q1'16	Q4'15
Large U.S. companies (large-cap)	47%	47%	46%	42%	45%
Mid-sized U.S. companies (mid-cap)	36%	37%	43%	35%	36%
Small U.S. companies (small-cap)	32%	31%	34%	28%	32%
Domestic bonds/debt	23%	19%	14%	17%	18%
International companies in developed markets (e.g., UK, Germany, Spain, Italy, Greece, France, Japan)	23%	15%	20%	19%	22%
International companies in emerging markets (e.g., Brazil, Russia, India, China, Korea, Malaysia, Mexico)	20%	12%	15%	14%	15%
International bonds/debt issued in developed markets	15%	10%	13%	10%	11%
International bonds/debt issued in emerging markets	17%	9%	9%	10%	11%

What industries do you think offer the most potential this quarter? (Top three)					
	Q4'16	Q3'16	Q2'16	Q1'16	Q4'15
Information technology	50%	44%	51%	53%	45%
Health care	45%	54%	56%	60%	57%
Energy	46%	43%	48%	38%	41%
Consumer staples	27%	30%	27%	30%	35%
Utilities	25%	31%	17%	18%	20%
Telecommunication services	27%	26%	24%	26%	22%
Financials	32%	25%	29%	32%	31%
Industrials	17%	16%	19%	16%	14%
Consumer discretionary	17%	15%	17%	15%	20%
Materials	14%	16%	14%	13%	14%

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