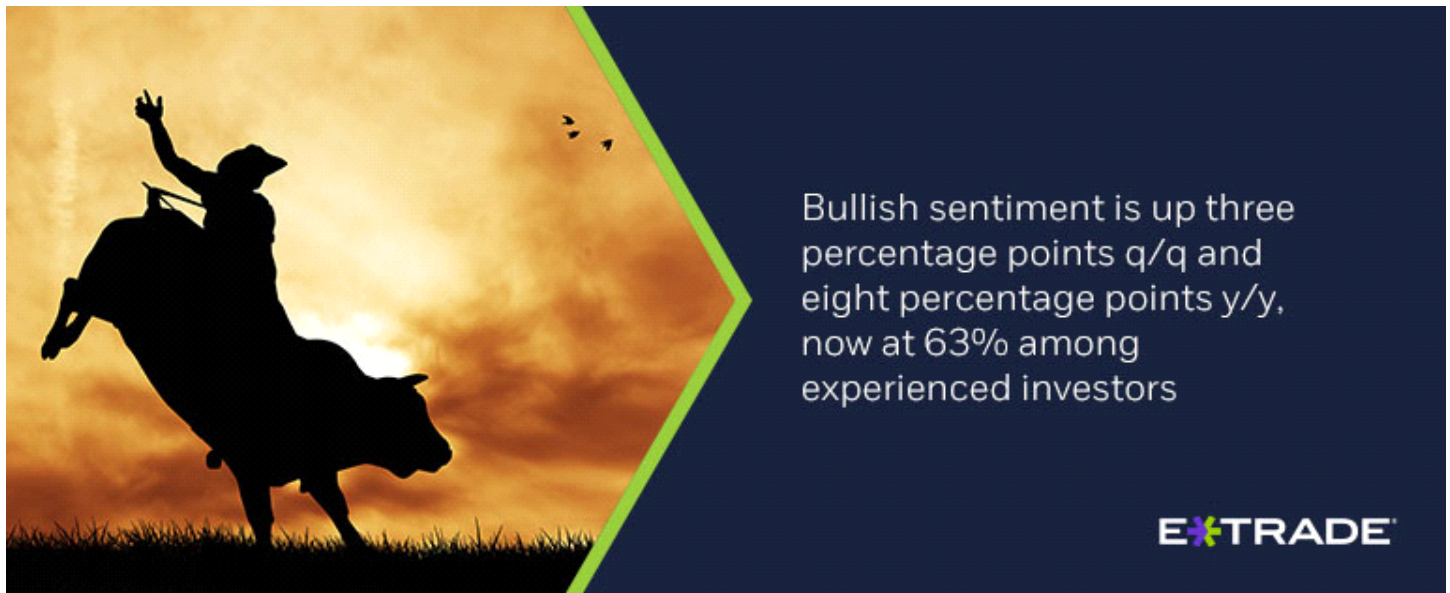


## E\*TRADE Study Reveals Retail Investors See Market Closing the Year on a High Note



*Many investors believe the second longest bull market in history may still have some fight left*

NEW YORK--(BUSINESS WIRE)-- E\*TRADE Financial Corporation (NASDAQ: ETFC) today announced results from the most recent wave of *StreetWise*, the E\*TRADE quarterly tracking study of experienced investors. Results indicate that many investors believe the market still has room to run as we head into 2018:

- 1 The majority remain bullish at 63 percent, increasing three percentage points from Q3'17, and eight percentage points from Q4'16.
- 1 Two out of three investors believe the market will rise five percent or more this quarter, up five percentage points from Q3'17, and twelve percentage points from Q4'16.
- 1 Slightly less than three out of five investors believe the US economy is healthy enough for at least one additional rate hike this quarter, up one percentage point from the previous quarter, and six percentage points from Q4'16.

"If the market has illustrated anything in the past few months, it's that it can take some punches," commented Mike Loewengart, VP of Investment Strategy at E\*TRADE Financial. "And despite historically high valuations, further potential Fed action, natural disasters, and significant geopolitical uncertainty at home and abroad, retail investors still appear to be eyeing opportunity as 2017 draws to a close."

The survey also explored retail investors' thoughts regarding potential investing opportunities for the fourth quarter. Mr. Loewengart offered insight into three areas with the most interest:

- 1 **Information technology.** Investors believe IT offers the most potential this quarter, rising one percentage point from the previous quarter. Despite two bouts of "tech wreck" in June and July, the sector has performed well over the year, so investors may be taking a longer view and seeing the recent dips as a buying opportunity.
- 1 **Energy.** Investor interest in energy remained steady from the previous quarter as stronger crude oil prices helped push the sector to recent highs.
- 1 **International.** After lagging for much of the past decade, interest in foreign assets continued to gain momentum as developed and emerging market equities have largely outpaced their US counterparts in 2017.

E\*TRADE aims to enhance the financial independence of traders and investors through a powerful digital offering and professional guidance. To learn more about E\*TRADE's trading and investing platforms and tools, visit [etrade.com](http://etrade.com).

For useful trading and investing insights from E\*TRADE, follow the company on Twitter, [@ETRADE](#).

## About the Survey

This wave of the survey was conducted from October 1 to October 12 of 2017 among an online US sample of 918 self-directed active investors who manage at least \$10,000 in an online brokerage account. The survey has a margin of error of  $\pm 3.24$  percent at the 95 percent confidence level. It was fielded and administered by Research Now. 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 58 percent male and 42 percent female with an even distribution across online brokerages, geographic regions, and age bands.

## Referenced Data

### *When it comes to the current market are you?*

	<b>Q4'17</b>	<b>Q3'17</b>	<b>Q2'17</b>	<b>Q1'17</b>	<b>Q4'16</b>
Bullish	63%	60%	63%	65%	55%
Bearish	37%	40%	37%	35%	45%

### *How do you predict the market will end this quarter?*

	<b>Q4'17</b>	<b>Q3'17</b>	<b>Q2'17</b>	<b>Q1'17</b>	<b>Q4'16</b>
<b>Rise</b>	<b>66%</b>	<b>61%</b>	<b>55%</b>	<b>60%</b>	<b>54%</b>
Rise 20%	2%	1%	0%	1%	1%
Rise 15%	6%	3%	4%	3%	2%
Rise 10%	16%	14%	13%	13%	8%
Rise 5%	42%	43%	38%	43%	44%
<b>Stay basically where it is</b>	<b>17%</b>	<b>21%</b>	<b>23%</b>	<b>18%</b>	<b>22%</b>
Drop 5%	11%	13%	16%	17%	19%
Drop 10%	4%	4%	4%	4%	4%
Drop 15%	2%	0%	2%	1%	1%
Drop 20%	0%	1%	0%	0%	0%
<b>Drop</b>	<b>17%</b>	<b>18%</b>	<b>22%</b>	<b>22%</b>	<b>24%</b>

### *Is the US economy healthy enough for the Fed to enact additional rate hikes this quarter?*

	<b>Q4'17</b>	<b>Q3'17</b>	<b>Q2'17</b>	<b>Q1'17</b>	<b>Q4'16</b>
<b>Agree (Top 2 Box)</b>	<b>59%</b>	<b>58%</b>	<b>62%</b>	<b>63%</b>	<b>53%</b>
Strongly agree	17%	14%	16%	15%	12%
Somewhat agree	42%	44%	46%	48%	41%
<b>Neither agree nor disagree</b>	<b>27%</b>	<b>24%</b>	<b>26%</b>	<b>23%</b>	<b>27%</b>
Somewhat disagree	12%	15%	10%	12%	15%
Strongly disagree	2%	3%	2%	2%	5%
<b>Disagree (Bottom 2 Box)</b>	<b>14%</b>	<b>18%</b>	<b>12%</b>	<b>14%</b>	<b>20%</b>

### *The health of the markets outside the US appeals to me as an investor this quarter.*

	<b>Q4'17</b>	<b>Q3'17</b>	<b>Q2'17</b>	<b>Q1'17</b>	<b>Q4'16</b>
<b>Agree (Top 2 Box)</b>	<b>54%</b>	<b>53%</b>	<b>50%</b>	<b>43%</b>	<b>40%</b>
Strongly agree	14%	14%	12%	10%	12%
Somewhat agree	40%	39%	38%	33%	28%
<b>Neither agree nor disagree</b>	<b>29%</b>	<b>29%</b>	<b>29%</b>	<b>28%</b>	<b>28%</b>
Somewhat disagree	13%	14%	16%	24%	25%
Strongly disagree	4%	4%	5%	5%	7%
<b>Disagree (Bottom 2 Box)</b>	<b>17%</b>	<b>18%</b>	<b>21%</b>	<b>29%</b>	<b>32%</b>

### *What industries do you think offer the most potential this quarter? (Top three)*

	<b>Q4'17</b>	<b>Q3'17</b>	<b>Q2'17</b>	<b>Q1'17</b>	<b>Q4'16</b>
Information technology	46%	45%	46%	34%	50%
Energy	44%	46%	45%	53%	46%
Health care	43%	41%	39%	42%	45%
Financials	39%	43%	39%	46%	32%

Telecommunication services	27%	24%	24%	19%	27%
Utilities	22%	24%	23%	22%	25%
Industrials	22%	24%	28%	29%	17%
Materials	20%	20%	20%	20%	14%
Consumer staples	20%	20%	20%	18%	27%
Consumer discretionary	16%	16%	15%	16%	17%

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