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**E\*TRADE STUDY REVEALS SIGNIFICANT RISE IN BULLISH SENTIMENT**



*Yet volatility remains top of mind for investors*

**NEW YORK, April 12, 2019** — 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 show an increase in positive investor sentiment as the market has steadily moved ahead from December 2018 lows.

- **Bullish sentiment returns.** Bullishness rose 12 percentage points since last quarter to once again represent the majority of investors at 58 percent.
- **Investors believe there's more room for the bull market to run.** Two-thirds of investors say they think the bull market has a year or more to go (66%), up seven percentage points from last quarter.
- **The majority gave the US economy a passing grade.** Investors who gave the economy an "A" or "B" grade rose 9 percentage points this quarter, to 64%.
- **Volatility concerns remain.** Investors who believe volatility will stay the same was up by 8 percentage points from Q1.

"It's been a great start to the year for the market," said Mike Loewengart, VP of Investment Strategy at E\*TRADE Financial. "While economic data has shown some slowing, many encouraging data points remain, particularly in the labor market. Investors have shown their resilience and, at least for now, seem to have shrugged off growth concerns from the Fed, as well as auxiliary geopolitical concerns from Brexit, Iran, and Latin America. Hopes of a trade deal with China spring eternal, and any clarity on that front could serve to further drive investor confidence."

The survey also explored investor views on sector opportunities for the second quarter of 2019:

- **Health care.** Health care remains the top choice among investors (48%) this quarter, as the sector is traditionally viewed as non-cyclical amid global growth concerns.
- **Energy.** Nearly half of investors (48%) see opportunity in the energy sector amid crude's recent rally and after coming under pressure at the end of 2018.
- **IT.** Despite semiconductor weakness amid ongoing trade disputes, IT holds its place at third this quarter with relatively attractive valuations.

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](https://twitter.com/ETRADE).

### **About the Survey**

This wave of the survey was conducted from April 1 to April 11 of 2019 among an online US sample of 917 self-directed active investors who manage at least \$10,000 in an online brokerage account. The survey has a margin of error of  $\pm 3.20$  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 60% male and 40% female, with an even distribution across online brokerages, geographic regions, and age bands.

### **About E\*TRADE Financial and Important Notices**

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## Referenced Data

| <i>When it comes to the current market are you?</i> |              |              |              |              |
|---|--------------|--------------|--------------|--------------|
|   | <b>Total</b> |              |              |              |
|   | <b>Q2'19</b> | <b>Q1'19</b> | <b>Q1'18</b> | <b>Q1'17</b> |
| Bullish   | 58%          | 46%          | 68%          | 64%          |
| Bearish   | 42%          | 54%          | 32%          | 36%          |

| <i>How many years do you think we have left in the bull market?</i> |              |              |
|---|--------------|--------------|
|   | <b>Total</b> |              |
|   | <b>Q2'19</b> | <b>Q1'19</b> |
| 5+ years  | 5%           | 5%           |
| 3–4 years   | 24%          | 20%          |
| 1–2 years   | 37%          | 34%          |
| The end is near   | 23%          | 32%          |
| I don't know  | 11%          | 9%           |

| <i>What grade would you give the current state of the U.S. economy right now?</i> |              |              |
|---|--------------|--------------|
|   | <b>Total</b> |              |
|   | <b>Q2'19</b> | <b>Q1'19</b> |
| A   | 15%          | 14%          |
| B   | 49%          | 41%          |
| C   | 29%          | 32%          |
| D   | 5%           | 10%          |
| F   | 2%           | 3%           |

| <i>Over the next quarter, do you think volatility will...</i> |              |              |
|---|--------------|--------------|
|   | <b>Total</b> |              |
|   | <b>Q2'19</b> | <b>Q1'19</b> |
| Greatly increase  | 9%           | 16%          |
| Somewhat increase   | 45%          | 42%          |
| Stay the same   | 41%          | 33%          |
| Somewhat decrease   | 5%           | 9%           |
| Greatly decrease  | 0%           | 0%           |

| <i>What industries do you think offer the most potential this quarter? (Top three)</i> |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|
|  | <b>Q2'19</b> | <b>Q1'19</b> | <b>Q4'18</b> | <b>Q3'18</b> | <b>Q2'18</b> |
| Health care  | 48%          | 50%          | 44%          | 41%          | 46%          |

|                        |     |     |     |     |     |
|------------------------|-----|-----|-----|-----|-----|
| Energy                 | 48% | 40% | 42% | 43% | 41% |
| Information technology | 44% | 38% | 49% | 45% | 44% |
| Financials             | 34% | 36% | 40% | 41% | 40% |
| Utilities              | 27% | 29% | 23% | 24% | 22% |
| Consumer staples       | 22% | 30% | 21% | 19% | 24% |
| Communication services | 22% | 23% | 21% | 27% | 24% |
| Industrials            | 22% | 20% | 21% | 22% | 22% |
| Materials              | 19% | 16% | 17% | 20% | 20% |
| Consumer discretionary | 15% | 17% | 22% | 19% | 18% |