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E*TRADE STUDY REVEALS SIGNIFICANT REBOUND IN BULLISH SENTIMENT



While market optimism rises, views on the economy remain cloudy

ARLINGTON, Va., July 9, 2020 — 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 investors are bullish on the market but have a wary economic outlook:

- **Bullish sentiment returns.** Half of surveyed investors (51%) are bullish, rising 13 percentage points since last quarter.
- **Investors are more likely to believe the market will rise.** Over half of investors (51%) believe the market will rise, skyrocketing 20 percentage points this quarter.
- **But volatility will persist.** More than half of investors (56%) believe volatility will continue, gaining nine percentage points since last quarter.
- **And investors expect a long road to recovery.** More than half (54%) believe it will take more than one year to recover from the pandemic, and just one out of five investors (23%) would give the economy an “A” or “B” grade.

“It’s encouraging to see bullish sentiment come charging back amid Nasdaq highs and consecutive up days in the market,” said Mike Loewengart, Managing Director of Investment Strategy at E*TRADE Financial. “That said, it’s important to remember that the economy is not

the market and the market is not the economy. While there are signs of optimism—consecutive declines in weekly jobless claims, solid housing data, and strength in retail sales—the US economy remains in fragile territory. Fears of a second wave are becoming a reality as virus cases rise in the Sunbelt, rolling back reopenings and stalling pockets of the economy yet again. While stimulus measures have helped Americans and Chairman Powell is committed to deploying his full arsenal, if there is anything 2020 has taught us so far it's to expect the unexpected.”

The survey explored investor views on sector opportunities for the third quarter of 2020:

- **Health care.** Investors see the most potential in health care, remaining steady since last quarter at 57%. Since the start of this year, all eyes have been on this sector as pharmaceutical companies across the world race to create a vaccine. That said, volatility could be in store as results from treatment trials emerge.
- **IT.** Interest in the tech sector rose 9 percentage points to 47% this quarter. There has been tremendous energy in this sector given consumer reliance on technology amid stay-at-home orders.
- **Consumer staples.** Consumer staples placed third, dropping 9 percentage points to 33% this quarter. Commonly viewed as a defensive portfolio play, investors with recession concerns may choose to incorporate this sector into their overall portfolio allocation. Further, as a second wave of coronavirus shifts from speculation to reality, consumers may again be stocking up on home essentials and cleaning products.

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.

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 July 1 to July 9 of 2020 among an online US sample of 873 self-directed active investors who manage at least \$10,000 in an online brokerage account. The survey has a margin of error of ± 3.20 percent at the 95 percent confidence level. It was fielded and administered by Dynata. 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.

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E*TRADE Financial Corporation engages Dynata to program, field, and tabulate the study. Dynata provides digital research data and has locations in the Americas, Europe, the Middle East and Asia-Pacific. For more information, please go to www.dynata.com.

Referenced Data

When it comes to the current market, are you?					
	Q3'20	Q2'20	Q1'20	Q4'19	Q3'19
Bullish	51%	38%	61%	50%	61%
Bearish	49%	62%	39%	50%	39%

Where do you predict the market will end this quarter?		
	Q3'20	Q2'20
Drop (Net)	35%	60%
Drop - 20%	1%	19%
Drop - 15%	5%	16%
Drop - 10%	13%	16%
Drop - 5%	16%	9%
Stay where it is	14%	9%
Rise 5%	28%	13%
Rise 10%	14%	9%
Rise 15%	6%	4%
Rise 20%	3%	5%
Rise (Net)	51%	31%

Over the next quarter, do you think volatility will...		
	Q3'20	Q2'20
Increase	56%	47%
Greatly increase	16%	15%
Somewhat increase	40%	32%
Stay the same	35%	33%
Somewhat decrease	8%	19%
Greatly decrease	1%	2%
Decrease	9%	21%

How long do you think it will take to recover from the pandemic-related economic downturn?	
	Q3'20
5+ years	6%
1–5 years	48%
7–12 months	30%
4–6 months	11%
1–3 months	2%
We've already recovered	1%
I don't know	2%

What grade would you give the current state of the US economy right now?		
	Q3'20	Q2'20
A	4%	5%
B	19%	11%
C	40%	29%
D	28%	36%
F	9%	19%

What industries do you think offer the most potential this quarter? (Top Three)		
	Q3'20	Q2'20
Health care	57%	58%
Information technology	47%	38%
Consumer staples	33%	42%
Communication services	28%	26%
Energy	25%	26%
Financials	23%	21%
Real estate	23%	18%
Utilities	20%	28%
Materials	15%	18%
Industrials	15%	14%
Consumer discretionary	14%	11%