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E*TRADE STUDY REVEALS BULLISH SENTIMENT HITS 3-YEAR HIGH



Amid record investor confidence, inflation concerns surge

ARLINGTON, Va., July 12, 2021 — E*TRADE Financial Holdings, LLC today announced results from the most recent wave of StreetWise, the E*TRADE quarterly tracking study of experienced investors. Results suggest investor views on the market remain positive, while concerns shift:

- **Bullish sentiment rose.** Bullish sentiment increased 4 percentage points since last quarter to 65%.
- **Investors are feeling less “Dazed and Confused” and more “Easy Rider.”** Investors chose “Easy Rider” (24%) as the number one movie choice to describe their attitude toward the market—up 1 percentage point from last quarter. On the flip side, the number of investors who said they would pick “Dazed and Confused” dropped 4 percentage points from last quarter to 17%—the lowest level during the pandemic.
- **But inflation and job market concerns surge.** Concerns about inflation skyrocketed this quarter to 35%, increasing 21 percentage points and locking in the top spot, followed by market volatility (27%) and pandemic-related concerns (23%). Further, worries about the job market jumped 12 percentage points, now at 15%.
- **And most think volatility will creep up.** Almost two thirds of investors (64%) think market volatility will increase over the next quarter, up 2 percentage points from last quarter.

“Despite investor optimism continuing to grow, it’s apparent that investors have come to terms with the fact that market volatility could be on the horizon,” said Mike Loewengart, Managing

Director of Investment Strategy at E*TRADE Financial. “And though the market has been knocking around record highs for quite some time, investors are wise to avoid complacency. While it remains to be seen if inflation is transitory, the Fed has changed its tune on the timeline for rate hikes, so now is a good time to assess your holdings and consider diversifying into areas of the market that can stand up to a rising rate environment.”

The survey explored investor views on sector opportunities for the third quarter of 2021:

- **IT.** With the recent drop in interest rates, tech continues to see strength—and investors have responded in kind. The sector trumped health care this quarter, with nearly half of investors (45%) seeing opportunity ahead and interest ticking up 4 percentage points from last quarter.
- **Health care.** As vaccinations continue to roll out and investors resume a more risk-on attitude, health care interest ticked down two percentage points to 41%, losing its top spot in the eyes of retail investors.
- **Energy.** With oil prices on the rise and demand shooting up as economies reopen, over one in three investors (37%) are interested in the notoriously volatile sector.

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 2021 among an online US sample of 898 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.

About E*TRADE Financial Holdings, LLC and Important Notices

E*TRADE Financial Holdings, LLC and its subsidiaries provide financial services including brokerage and banking products and services to retail customers. Securities products and services are offered by E*TRADE Securities LLC (Member SIPC). Commodity futures and options on futures products and services are offered by E*TRADE Futures LLC (Member NFA). Managed Account Solutions are offered through E*TRADE Capital Management, LLC, a Registered Investment Adviser. Bank products and services are offered by E*TRADE Bank, and RIA custody solutions are offered by E*TRADE Savings Bank, both of which are national federal savings banks (Members FDIC). More information is available at www.etrade.com.

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E*TRADE Financial 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

<i>When it comes to the current market, are you?</i>													
	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21
Bullish	56%	61%	46%	58%	61%	50%	61%	38%	51%	52%	57%	61%	65%
Bearish	44%	39%	54%	42%	39%	50%	39%	62%	49%	48%	43%	39%	35%

<i>If you had to pick a movie title that best describes how you personally feel about the market this quarter, which would it be?</i>						
	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21
Easy Rider	7%	13%	15%	18%	23%	24%
Singin' in the Rain	6%	12%	12%	18%	18%	20%
Dazed and Confused	31%	33%	33%	21%	21%	17%
Raging Bull	7%	11%	11%	19%	15%	16%
Pulp Fiction	7%	10%	11%	10%	9%	9%
Jackass	7%	8%	9%	5%	5%	6%
Fear and Loathing in Las Vegas	11%	6%	5%	5%	4%	5%
Apocalypse Now	24%	8%	5%	5%	4%	4%

<i>Which of the following risks are you most concerned about when it comes to your portfolio? (Top Two)</i>		
	Q2'21	Q3'21
Inflation	14%	35%
Market volatility	26%	27%
Coronavirus and other pandemic concerns	22%	23%
Recession	25%	17%
US trade tensions	25%	17%
Current presidential administration	23%	16%
Job market	3%	15%
Gridlock in Washington	14%	14%
Economic weakness abroad	21%	12%
Fed monetary policy	15%	12%
The yield curve	6%	7%
None of these	2%	3%
Other	1%	1%

Over the next quarter, do you think volatility will...		
	Q2'21	Q3'21
Top 2 Box	62%	64%
Greatly increase	19%	15%
Somewhat increase	43%	49%
Stay the same	30%	29%
Somewhat decrease	8%	7%
Greatly decrease	0%	0%

What industries do you think offer the most potential this quarter? (Top Three)		
	Q2'21	Q3'21
Information technology	41%	45%
Health care	43%	41%
Energy	34%	37%
Real estate	27%	32%
Financials	29%	29%
Communication services	21%	22%
Consumer staples	26%	21%
Utilities	19%	20%
Industrials	21%	19%
Materials	19%	18%
Consumer discretionary	20%	16%