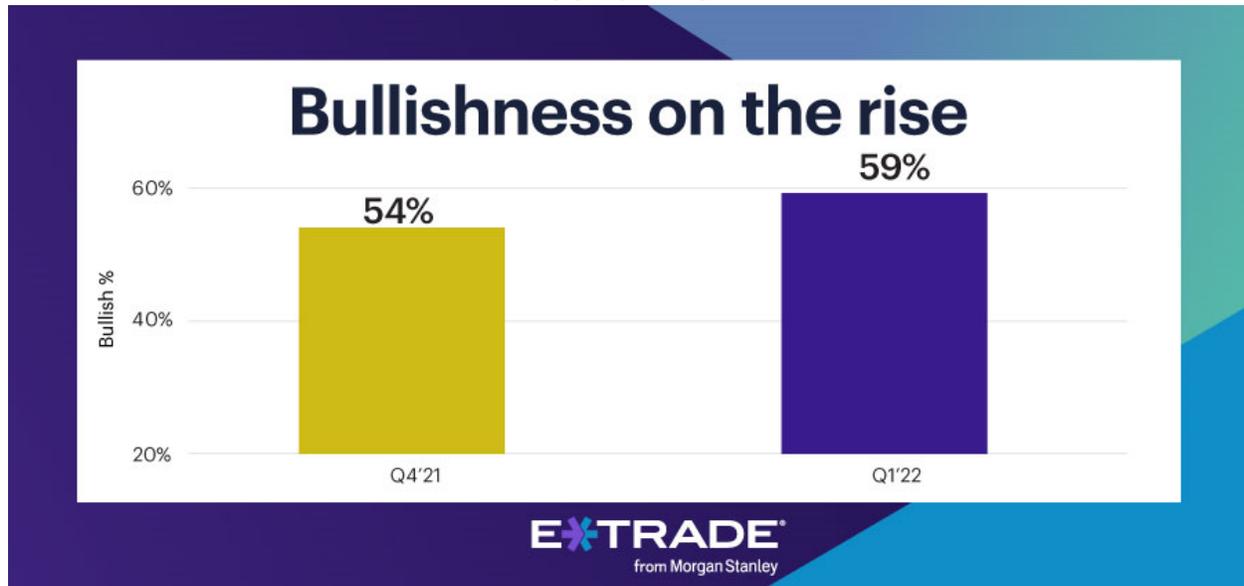


FOR IMMEDIATE RELEASE

**E\*TRADE Media Relations**  
646-521-4418  
[mediainq@etrade.com](mailto:mediainq@etrade.com)

**E\*TRADE STUDY REVEALS BULLISHNESS RETURNS DESPITE INFLATION AND COVID CONCERNS**



*Yet many investors believe we're in bubble territory*

**ARLINGTON, Va., January 12, 2022** — E\*TRADE Securities LLC today announced results from the most recent wave of StreetWise, the E\*TRADE quarterly tracking study of experienced investors. Results include:

- **Bullish sentiment is on the rise.** Bullish sentiment increased 5 percentage points from last quarter to 59%. And 62% of investors are more likely to think the market will end in the green this quarter, up 4 percentage points from last quarter.
- **And investors believe the economy is in good shape.** Two in five (40%) gave the US economy an A or B grade.
- **Yet they see a bubble.** Nearly three in four investors (70%) believe we are fully or somewhat in a market bubble.
- **And inflation and coronavirus concerns climb.** Inflation concerns (58%) remained the top portfolio risk, up 6 percentage points from last quarter, followed by market volatility (47%), which is up 6 percentage points. COVID concerns (44%) jumped 6 percentage points amid the Omicron surge, rounding out the top three portfolio risks.

“There’s no question that it’s been pretty hard to rattle retail investors since the onset of the pandemic,” said Mike Loewengart, Managing Director of Investment Strategy at E\*TRADE. “But with the Fed sounding a more hawkish tone, tightening measures are on the horizon. That’s not to say there isn’t room for growth, but investors need to stay diversified and committed to their long-term goals, if and when the market takes a turn. It’s important to keep in mind that while the Fed is shifting gears, ultimately that translates into a vote of confidence for the economy.”

The survey explored investor views on sector opportunities for the first quarter of 2022:

- **Health care.** With COVID cases persisting, investors see opportunity in health care as it took over the top spot with nearly half of investors (46%) interested in the historically defensive sector.
- **IT.** Despite the Fed gearing up for rate increases, and the drop in tech stocks to start the year, the IT sector ticked up 3 percentage points from Q4 to 43%.
- **Energy.** After a strong 2021, investors continue to be interested in energy (37%), though interest ticked down 7 percentage points from last quarter.

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](https://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 January 3 to January 11 of 2022 among an online US sample of 901 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 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 from Morgan Stanley and Important Notices

E\*TRADE from Morgan Stanley provides financial services to retail customers. Securities products and services offered by E\*TRADE Securities LLC, Member SIPC. Investment advisory services offered by E\*TRADE Capital Management, LLC, a Registered Investment Adviser. Commodity futures and options on futures products and services offered by E\*TRADE Futures LLC, Member NFA. Banking products and services are offered by Morgan Stanley Private Bank, National Association, Member FDIC. All separate but affiliated subsidiaries of Morgan Stanley. More information is available at [www.etrade.com](https://www.etrade.com).

The information provided herein is for general informational purposes only and should not be considered investment advice. Past performance does not guarantee future results.

E\*TRADE from Morgan Stanley, E\*TRADE, and the E\*TRADE logo are trademarks or registered trademarks of E\*TRADE from Morgan Stanley. ETFC-G

ETFC

© 2022 E\*TRADE from Morgan Stanley. All rights reserved.

E\*TRADE 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](https://www.dynata.com).

**Referenced Data**

<i>And when it comes to the current market are you?</i>					
	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22
Bullish	57%	61%	65%	54%	59%
Bearish	43%	39%	35%	46%	41%

<i>Where do you predict the market will end this quarter?</i>		
	Q4'21	Q1'22
<b>Rise</b>	<b>58%</b>	<b>62%</b>
Rise 20%	4%	5%
Rise 15%	10%	7%
Rise 10%	17%	19%
Rise 5%	27%	31%
<b>Stay where it is (0%)</b>	<b>14%</b>	<b>14%</b>
Drop 5%	16%	15%
Drop 10%	10%	6%
Drop 15%	1%	2%
Drop 20%	1%	1%
<b>Drop</b>	<b>28%</b>	<b>24%</b>

<i>What grade would you give the current state of the U.S. economy right now?</i>	
	Q1'22
<b>Top 2 Box</b>	<b>40%</b>
A	14%
B	26%
C	36%
D	17%
F	7%

<i>Do you think current stock valuations would suggest that right now we are...</i>	
	Q1'22
<b>Top 2 Box</b>	<b>70%</b>
Fully in a market bubble	23%
In somewhat of a market bubble	47%
Approaching a market bubble	22%
Not close to a market bubble	8%

<i>Which of the following risks are you most concerned about when it comes to your portfolio? (Top four)</i>		
	Q4'21	Q1'22
Inflation	52%	58%
Market volatility	41%	47%
Coronavirus and other pandemic concerns	38%	44%
Supply chain constraints	38%	36%



from Morgan Stanley

Recession	38%	35%
US trade tensions	28%	29%
Current presidential administration	31%	29%
Fed monetary policy	24%	26%
Economic weakness abroad	31%	25%
Gridlock in Washington	30%	24%
Job market	24%	24%
The yield curve	13%	13%
None of these	3%	3%
Other	1%	1%

<b><i>What industries do you think offer the most potential this quarter? (Top Three)</i></b>		
	<b>Q4'21</b>	<b>Q1'22</b>
Health care	40%	46%
Information technology	40%	43%
Energy	44%	37%
Real estate	31%	32%
Financials	28%	30%
Utilities	24%	24%
Consumer staples	23%	22%
Communication services	19%	21%
Industrials	18%	17%
Materials	19%	17%
Consumer discretionary	15%	12%