

## Almost Half of Investors Surveyed Expect Market Downturn, According to Latest E\*TRADE Study

October 30, 2015



*Bearish sentiment rises while nearly half of investors expect the market to drop at least 10 percent by end of year*

NEW YORK--(BUSINESS WIRE)-- E\*TRADE Financial Corporation (NASDAQ:ETFC) today announced results from the most recent wave of *StreetWise*, E\*TRADE's quarterly tracking study of experienced investors. Results indicate investors are increasingly wary about what direction the market may take during the remainder of the year:

- More than any other, investors choose "Dazed and Confused" as the movie title that best describes how they feel about the market today, and significantly more investors chose it this quarter over last.
- Investors are more bearish than any quarter in the past two years, now at half the survey population.
- Nearly half of all investors believe the U.S. equity market will experience a correction (drop of at least 10 percent) or a bear market (drop of at least 20 percent) by end of year.

"After an exceptionally long bull market, investors may be bracing for the tide to turn," commented Michael Loewengart, VP, Investment Strategy at E\*TRADE Financial. "Fortunately, there are a series of smart moves investors can consider in the event of a market shift."

Mr. Loewengart offered the following general insights for investors concerned about a market downturn heading into the end of the year.

- **Dollar-cost averaging can reduce cost basis.** Dollar-cost averaging is an investment approach in which investors set a defined schedule for buying into the markets. Weaker markets allow investors to buy more shares when prices are low, and fewer when they are high, enabling investors to potentially reduce the average cost basis.
- **Diversification can help weather storms.** Well-diversified portfolios may be better positioned for changing market conditions, as some industries and instruments tend to be particularly hard hit during market downturns.
- **Timing the market is difficult.** While the current macro environment may paint a picture of global uncertainty, knee-jerk reactions rarely achieve the intended results. Market swings are common, and investors are wise to stay focused on the long term.

Visit E\*TRADE's [Newsroom](#) for the full Q415 *StreetWise* study results.

E\*TRADE helps investors balance today's needs with tomorrow's goals, through pioneering digital tools and personalized, smart guidance online and from seasoned financial consultants. To learn more about E\*TRADE's trading and investing platforms and tools, visit [etrade.com](http://etrade.com).

For useful insight from E\*TRADE and third-party investment professionals, follow the company on Twitter, [@ETRADE](#).

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#### About the Survey

This wave of the survey was conducted from October 1 to October 6 of 2015 among an online U.S. sample of 1000 self-directed active investors who manage at least \$10,000 in an online brokerage account. The survey has a margin of error of  $\pm 3.1$  percent at the 95 percent confidence level. It was fielded and administered by ResearchNow. The tracking study fields quarterly at the beginning of each quarter and does not reflect data from the complete quarter. 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) investors. The panel is 65 percent male and 35 percent female with an even distribution across online brokerages, geographic regions, and age bands.

#### Referenced Data

***If you had to pick a movie title that best describes how you personally feel about the market right now, which would it be?***

	Q415	Q315	Q215	Q115	Q414
Dazed and Confused	38%	29%	25%	27%	27%
Easy Rider	18%	20%	26%	25%	23%
Pulp Fiction	12%	14%	14%	13%	14%
Singin' in the Rain	9%	13%	14%	14%	13%
Fear and Loathing in Las Vegas	7%	8%	6%	6%	7%
Raging Bull	5%	6%	8%	7%	8%
Jackass	6%	6%	5%	6%	4%
Apocalypse Now	4%	5%	3%	3%	4%

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

	Q415	Q315	Q215	Q115	Q414
Bullish	50%	56%	59%	66%	59%
Bearish	50%	44%	41%	34%	41%

***Which of the following do you think is most likely to occur in the next three months? The U.S. equity market will***

	Q415	Q315	Q215	Q115	Q414
Experience a correction (drop of 10% or more)	32%	39%	34%	39%	39%
Experience a bear market (drop of 20% or more)					
<b><i>**answer included beginning in Q415**</i></b>	16%	-	-	-	-
Rise	22%	22%	29%	31%	29%
Stay basically where it is	30%	39%	37%	31%	32%

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E\*TRADE Financial Corporation and ResearchNow are separate companies that are not affiliated. E\*TRADE Financial Corporation engages ResearchNow to program, field, and tabulate the study.

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