

# New Ally Invest Survey: Despite Market Headwinds, Independent Investors Find Room for Optimism

SANDY, Utah, July 12, 2018 --

## *Survey Highlights*

- 30% more respondents are bullish/very bullish vs. last quarter
- Concerns about market overvaluation dropped by 25%
- Majority anticipate FAANGs to "meet" or "exceed" street expectations although survey results document interesting trend insights
- International issues and domestic political environment cited as top market concerns

Rebounding from a sharp decline last quarter, bullish market sentiment appears back on the rise, according to Ally Invest's latest quarterly survey of independent investors. Despite concerns over tariffs and rising interest rates, bullish/very bullish sentiment rose from 30 percent in the previous quarter to 39 percent this quarter, suggesting investors are again betting on the market's resiliency.

Similarly, investor sentiment for the FAANG (Facebook, Amazon, Apple, Netflix, Google) stocks appears mostly positive, with Facebook regaining favor after the majority of investors last quarter expected the company's earnings to disappoint.

The results of the in-house survey, conducted from June 25 - July 5, 2018, by Ally Invest, are based on responses from approximately 300 independent investors.

"What's interesting is that it seems no matter what gets thrown at investors -- from trade tensions to rising interest rates -- many still see potential in the stock market and continue to view technology companies in a positive way," said Rich Hagen, president of Ally Invest.

## *Bullish Sentiment Outstrips Bearish Sentiment by 20 Points*

The quarterly survey documented 39% of investors have a bullish market outlook, up from 30% in April. Conversely, bearish sentiment dropped to 16% down from 24% last quarter. While the numbers indicate a more positive direction in sentiment, they are still far off the 76% bullish/3% bearish numbers reported in January.

## *Takeaways*

Fifty-six percent of investors are looking to corporate earnings to help drive the market upward. Although that figure is down from 74% last quarter, it's well above the next key market drivers: tax reform, and accelerating growth, both at 33%. When it comes to market worries, the domestic political environment, and international issues dominated the survey responses at 51% and 47% respectively. Concern over the market being overvalued dropped significantly from 55% last quarter to 41% in this most recent survey.

When asked if the current market volatility made them more or less active in managing their investments, 40% of respondents said it made them more active, 12% said it made them less active, and 48% said there was no impact on their investing behavior.

## *Outlook Holds Steady on FAANG Earnings*

In response to the question "What is your outlook for each of the 'FAANG' stocks for the third quarter?," investor sentiment was mostly bullish, even on Facebook, which had lost points last quarter coming off of the company's Congressional hearings on data privacy concerns. Facebook was the only FAANG in which responders increased their expectations for 2Q results (versus Q1) for both meeting and exceeding estimates. Google, on the other hand, had the opposite results; with responders less optimistic on the company meeting or exceeding estimates. Amazon and Netflix continue to trend higher in investor sentiment.

Here is how expectations for meeting or exceeding estimates on the FAANG stocks compared with last quarter:

Facebook – An increase in both "Meet" and "Exceed" versus Q1

- Meet street expectations: 31%, up from 22% and back to January 2018 levels
- Exceed street expectations: 20%, up from 12% but not quite back to the January level

Amazon – A decrease in "Meet," but an increase in "Exceed" versus Q1

- Meet street expectations: 17%, down from 25%
- Exceed street expectations rose to a high of 50% from 47% and up further from 40% in January

Apple – Unchanged for "Meet" and a decrease in "Exceed" versus Q1

- Meet street expectations: remained steady at 37%
- Exceed street expectations: continued down a point to 23% from 24% and down from 27% in January

Netflix – A Decrease in "Meet," but an increase in "Exceed" versus Q1

- Meet street expectations: 24%, down from 33%
- Exceed street expectations: 34% up from 32% and up from 27% in January

Google – A Decrease in "Meet" and "Exceed" versus Q1

- Meet street expectations: 32% down from 34%
- Exceed street expectations: 30% down a point from 31% and down from 38% in January

#### *Staying Connected*

Sixty-nine percent of respondents said they would be using their mobile devices over the summer months to stay engaged with their investments. A full 44% said they would use their mobile devices daily for investment monitoring.

Results of the survey are for informational purposes only and not intended as investment advice. Investing involves risk. Thus, before investing you should consider what is suitable given your particular circumstances or seek professional advice.

#### **About Ally Financial Inc.**

Ally Financial Inc. (NYSE: ALLY) is a leading digital financial services company with assets of \$170.0 billion as of March 31, 2018. As a client-centric company with passionate customer service and innovative financial solutions, Ally is relentlessly focused on "Doing it Right" and being a trusted financial partner for its consumer, commercial, and corporate customers. Ally's award-winning online bank (Ally Bank, Member FDIC and Equal Housing Lender) offers mortgage-lending services and a variety of deposit and other banking products, including CDs, online savings, money market and checking accounts, and IRA products. Ally also promotes the Ally CashBack Credit Card. Additionally, Ally offers securities brokerage and investment advisory services through Ally Invest. Ally remains one of the largest full-service auto finance operations in the country with a complementary auto-focused insurance business, which together serve more than 18,000 dealer customers and millions of auto consumers. Ally's robust corporate finance business offers capital for equity sponsors and middle-market companies.

For more information and disclosures about Ally, visit <https://www.ally.com/#disclosures>.

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