

Ally Invest's Quarterly Survey Results Are In: Recent Market Volatility Seen as an Opportunity by Some Independent Investors

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Q4 2018 Investor Survey Highlights:

- 40% of respondents have rebalanced assets and made opportunistic trades to take advantage of market swings
- 30% have stayed the course and not changed investment behavior
- Only 25% of investors are pulling back from the market and taking a "wait and see" approach
- The domestic political environment is the top concern
- For 2019, old favorite MSFT is the new favorite of the tech stocks
- In terms of sectors, survey respondents are bullish on AI, Robotics and Cannabis – but bearish on Cryptocurrencies

In the latest quarterly survey from Ally Invest, the online trading and investing arm of Ally Financial Inc., independent investors expressed a willingness to be opportunistic during the recent volatility, despite the majority also being "neutral" to "very bearish" on the market.

The results of the in-house survey, conducted by Ally Invest from December 19 - 31, 2018, are based on responses from approximately 260 independent investors.

The bearish sentiment appears to be rooted primarily in concerns pertaining to "the domestic political environment" (55% of respondents), the "potential of an impending recession" (53%), and "international unrest" and "higher interest rates" (42%, each).

"Through the first three quarters of 2018, investor confidence remained relatively high in our surveys, buoyed by an expectation of strong corporate earnings," said Rich Hagen, president of Ally Invest. "Interestingly, in this most recent survey, investors still don't appear significantly concerned about corporate earnings disappointing. Rather, they expressed more concern about the political environment and what effect that might have on our economy and the market as a whole. Consequently, investors are searching for potential bright spots where they can trade opportunistically and buy on the dips."

Bullish/Bearish Positions Flip; FAANGs Fall from Grace

The quarterly survey reported only 17% of investors have a bullish overall market outlook, down from 47% last quarter, while bearish sentiment rose to 47%, up from 14% last quarter. Thirty-seven percent of survey respondents said they held a neutral outlook or were unsure/had no opinion about the market.

Positive investor sentiment for the FAANG stocks has dipped significantly since last quarter. Respondents' opinions of Facebook meeting or exceeding market expectations fell from 38% last quarter to 26% in Q1 2019; for Amazon, it fell from 72% to 62%; for Apple, it fell from 68% to 45% (Apple has since warned investors it is lowering its first-quarter revenue guidance); for Google, it fell from 63% to 55%; and for Netflix, it fell from 60% to 48%. Respondents are focused on "product sales" for Apple, "year over year growth" for Amazon and "subscribers" for Netflix.

If Not the FAANGs, Then What?

When asked to pick which technology stocks could prove to be "hot" in 2019, survey respondents selected the following as their top five:

- Microsoft (MSFT) (40%)
- NVIDIA (NVDA) (26%)
- Square (SQ) (24%)
- Advanced Micro Services (AMD) (23%)
- Alibaba (BABA) (22%)

In addition to these tech stocks, survey respondents expressed positive outlooks on some emerging technologies and new industry sectors. Bullishness was highest in the Artificial Intelligence market (61%) followed by Cannabis (59%), Robotics (54%) and Software as a Service (SaaS) (43%). In contrast, only 12% of respondents were bullish on the Cryptocurrency market.

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.

Ally Invest is the brokerage and wealth management offering from Ally that exists alongside the firm's award-winning online banking products. Ally Invest offerings consist of a low-cost trading platform for self-directed investors, as well as a suite of affordable, automatically-managed investment portfolios, both delivered through a fully-transparent online process. The combination of low-cost investing with Ally's competitive deposit products gives customers a powerful value proposition for managing their financial well-being.

About Ally Financial

Ally Financial Inc. (NYSE: ALLY) is a leading digital financial services company with assets of \$173.1 billion as of September 30, 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 approximately 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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