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MEDIA RELEASE
 - FOR IMMEDIATE RELEASE -
Trump Divides, But Investor Optimism Lifts

The impact on global financial markets of Donald Trump becoming the next US President in January is dividing views and sentiment among investors in Australia.

The Australian Investors' Sentiment Survey for November, organised by the Australian Investors' Association (AIA) and FNArena, harvested a wide range of opinions about Trump and potential US policies.

What cannot be denied is that overall sentiment has improved from two months ago, though the general mood remains more cautious than bullish, notwithstanding a positive response from global equity markets.

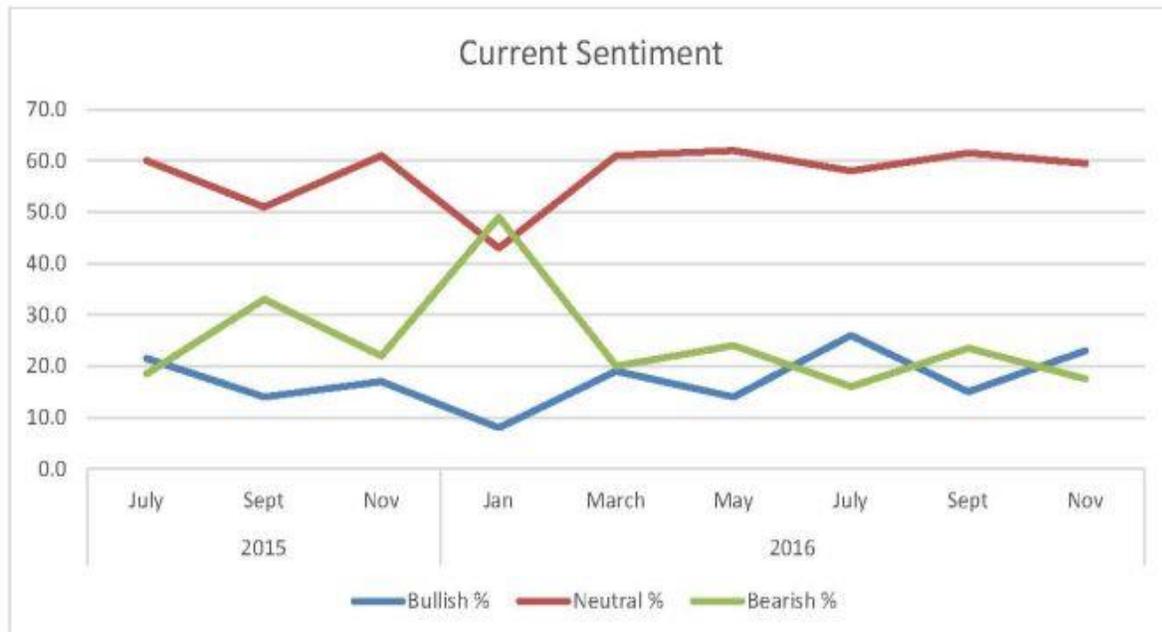
The change in sentiment is clearest in investors' outlook for Australian equities in the short term, with 23% bulls outnumbering 17.5% bears.

It marks a notable reversal in short term sentiment since September, though the percentages still cannot match the numbers from the July Survey earlier this year.

At least the percentage of positive views among respondents is larger than negative views, something only seen twice in the prior eight Surveys; in July this year and in July 2015.

Current Sentiment

	2015			2016					
	July	Sept	Nov	Jan	March	May	July	Sept	Nov
Bullish %	21.5	14.0	17.0	8.0	19.0	14.0	26.0	15.0	23.0
Neutral %	60.0	51.0	61.0	43.0	61.0	62.0	58.0	61.5	59.5
Bearish %	18.5	33.0	22.0	49.0	20.0	24.0	16.0	23.5	17.5



Trump aside, there's plenty on Australian investors' minds. One FNArena member wrote: *"Very interesting stage in history with respect to impacts of robotics, availability of rewarding jobs, erosion of trust and worrying inequality. Greater risk premium in equities and more volatility."*

One respondent from AIA opined: *"There would appear to be good prospects for an increase in commodity prices."*

A third respondent stated: *"I am finding it hard to find companies that have reasonable dividends and not lose capital value"*.

Six to twelve months out, investor sentiment has deteriorated slightly, but the bulls remain the largest group even extending their gap with those holding a neutral view; 37.5% versus 34.5%.

Respondents with a negative outlook have now risen to 28%, a level not seen since the 34% recorded in November 2012.

Markets Higher in 6-12 Months Time?

	2015			2016					
	July	Sept	Nov	Jan	March	May	July	Sept	Nov
Yes %	47.0	46.0	44.5	38.5	40.5	36.5	39.5	38.0	37.5
No %	24.0	24.0	22.0	26.0	24.0	25.5	25.0	25.5	28.0
Same %	29.0	30.0	33.5	35.5	35.5	38.0	35.5	36.5	34.5

Average Investment Portfolio Allocations

	2015			2016					
	July	Sept	Nov	Jan	March	May	July	Sept	Nov
Equities %	52.5	51.5	54.0	51.0	55.5	56.5	58.5	58.0	55.5
Property %	18.0	17.5	16.5	17.5	16.0	15.5	15.0	15.0	16.5
Fixed Income %	12.5	11.5	11.0	10.5	7.5	8.5	9.0	8.5	8.0
Cash %	17.0	19.5	18.5	21.0	19.0	18.0	16.0	17.0	18.0
Alternatives %					2.0	1.0	1.5	1.5	1.5

The **Australian Investors' Sentiment Survey has been** conducted every two months since early 2011. Throughout this period the highest level of cash held peaked at 26% in September 2011. The July Survey earlier this year revealed the lowest cash reading at 16%.

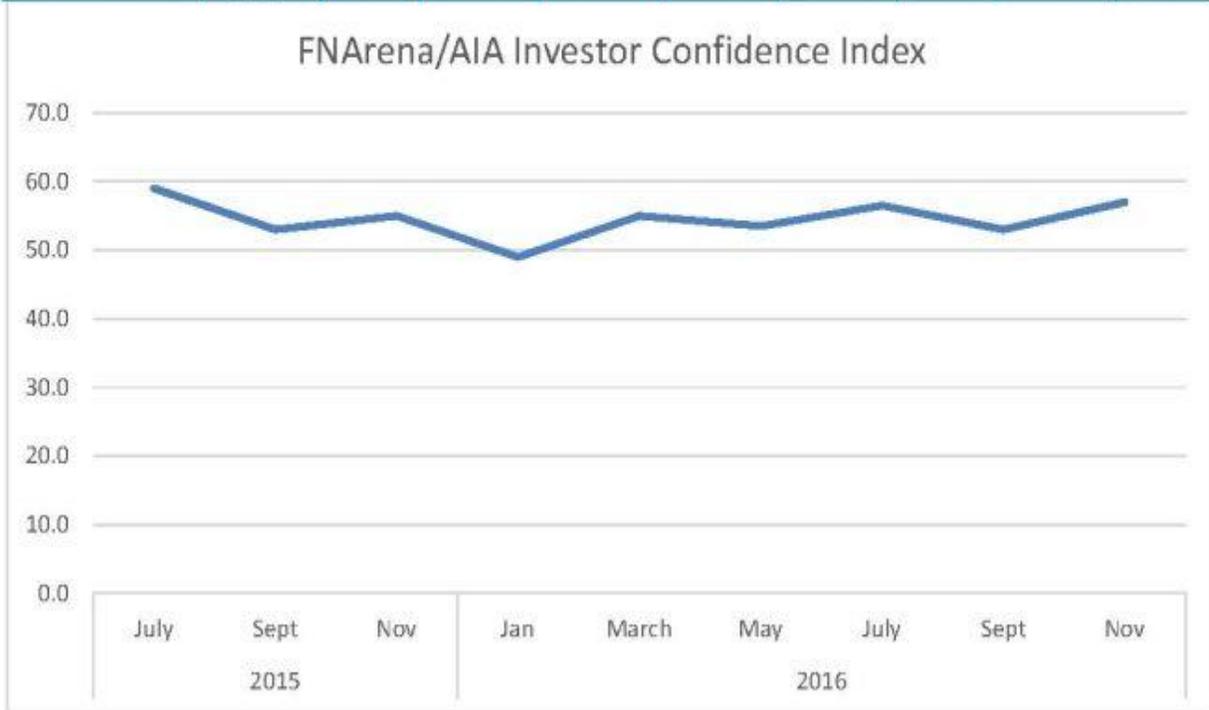
Since the Survey in March respondents can indicate allocations to precious metals and alternative investments, but both continue to represent a tiny slice of portfolios overall.

The Confidence Index jumped to 57%, the highest level since the 59% measured in July 2015. The Confidence Index remains well above 50 suggesting investors continue to expect positive returns from the share market over time.

Since 2011, Index values have ranged between 41% and 61%. The last time a reading below 50 popped up was in January this year, in the midst of what at the time appeared a global markets meltdown.

FNArena/AIA Investor Confidence Index

	2015			2016					
	July	Sept	Nov	Jan	March	May	July	Sept	Nov
Confidence	59.0	53.0	55.0	49.0	55.0	53.5	56.5	53.0	57.0



The Investor Sentiment Survey asked members at Australian Investors' Association (AIA) and FNArena how they felt about the market and how they were invested.

184 respondents participated through AIA and 205 through FNArena.

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