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Queensland investors approach 2009 cautiously

Most Queensland investors believe the Australian stock market is undervalued, but few are “bullish” about the performance of their own investment portfolios next year, a survey has found.

Australian Investors' Association (AIA) president Jolyon Forsyth said a survey of 500 members from across the country, found most investors were cautious about the outlook for the next 12 months in the wake of a tumultuous 2008 due to the world financial crisis.

“Seven out of 10 Queensland respondents believed the stock market was undervalued, yet only 15% described themselves as ‘bullish’ about the performance of their own investments next year,” Mr Forsyth said.

“Indeed, almost double (29%) of Queensland respondents described their attitude to their own investment as ‘bearish’, indicating they anticipate further pain in the New Year.”

Mr Forsyth said the general consensus from the survey was the stock market was undervalued or fair value, and he believed investors would be well positioned next year to buy quality local stocks at bargain prices.

The survey found Australian shares were the most popular investment with 96% of respondents including it in their investment portfolios. Other key investments were cash (90%), fixed interest (56%), real estate (54%) and managed funds (52%). Only 33% included international shares.

“No one can predict when the Australian stock market will reach the bottom, but most investors believe it is substantially undervalued,” he said.

“Indeed, only 7.5% of Queensland respondents believed it was overvalued.”

The survey found male investors (7.5%) believed the stock market was overvalued at three times the rate of female investors (2.5%) surveyed.