

# Spectrem Group's Investor Confidence Indices Fall in October; Millionaires Pessimistic Heading Into Midterm Elections

*Lack of resolution to U.S. trade negotiations and stock market fluctuations cause investors to continue to shift away from individual stocks*

CHICAGO, USA, November 1, 2018 /EINPresswire.com/ -- One day in late October, the Dow Jones Industrial Average fell 600 points, before recovering more than 400 of those points the next day. The overall effect was negligible, but the impact was felt among investors, according to Spectrem Group's High Net Worth Insights newsletter. Both millionaire and affluent investors expressed plans to avoid individual stock investing as the Spectrem Millionaire Investor Confidence Index (SMICI®) dropped four points to 3 in October and the Spectrem Affluent Investor Confidence Index (SAICI®) fell two points to 4. The two-month decrease for the SMICI was 17 points, the steepest two-month fall since April-May of 2017.

The monthly Spectrem Investor Confidence indices track changes in investment sentiment among the 17 MM households in America with more than \$500,000 of investable assets

(SAICI), and those with \$1 MM or more (SMICI). October's survey was fielded between Oct. 19-25, 2018, during which the Dow Jones Industrial Average fluctuated between a high of 25,608 and a low of 24,583, a difference of more than 1,000 points.

The decline in investor confidence in October occurred as political prognosticators became increasingly vocal about Democrats' chances of taking control of the House of Representatives after the midterm elections and stymying some of President Donald Trump's pro-business plans going forward. Also tempering investor optimism was an additional tariff imposed on China by the United States as trade negotiations continued between the countries, as well as the prospect of sanctions against Saudi Arabia in the aftermath of Jamal Khashoggi's murder, which could impact oil imports.

As a result, Millionaire investors turned away from the individual stock market and toward Stock

	June 2018	July 2018	August 2018	September 2018	October 2018
Spectrem Affluent Investor Confidence Index®	3	3	8	6	4
Spectrem Millionaire Investor Confidence Index®	7	8	20	7	3

Index range: -31 to -51, Bearish; -11 to -30, Mildly Bearish; 10 to -10, Neutral; 11 to 30, Mildly Bullish; 31 to 51, Bullish.



Mutual Funds, Individual Bonds and Cash Investing, and non-Millionaires decreased their involvement in most categories of investing. 45 percent of non-Millionaires said they would not extend their investing in the coming month, and while more Millionaires planned to invest, they indicated they would do so in safety products. Stock investing among non-Millionaires fell 12 percent to 22.1 percent. Among Millionaires, Cash investing rose to 30.5 percent, the highest level of the year and the highest since October of 2017.

The Spectrem Household Outlook, a monthly measure of long-term confidence among investors across four financial factors impacting households, dropped more than 12 points overall to 17.50, while the Outlook among Millionaires fell to 13.67, the lowest level since October of 2016. The Outlook in the Economy was devastated in October, plummeting from 18.40 to -2.40 overall and from 23.66 to -11.72 among Millionaires.

“The news cycle for investors is nonstop these days, and the endless campaigning for the midterm elections elicits confusion among investors,” said Spectrem President George H. Walper, Jr. “The stock market has stopped climbing and now records more losses than gains on a daily basis as corporate earnings reports come in with mixed success. The looming results of the midterms, plus concerns over inflation and the seemingly certain rise in interest rates, creates a sense of caution among investors in all segments.”

Charts, including a deeper analysis of the Index and its methodology, are available upon request. Additional insights include Spectrem’s index webinar (link below), which also presents results from Spectrem’s survey of investors based on the current investment trends over the past month:

- [Webinar: Investor Confidence Index + Midterm Elections and Social Security](#)
- [Tumult Too Much for Investors](#)

About Spectrem Group: Spectrem Group ([www.spectrem.com](http://www.spectrem.com)) strategically analyzes its ongoing primary research with investors to assist financial providers and advisors in understanding the Voice of the Investor.

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