

Millionaires Embrace Equity Investing as Sustained Market Momentum, U.S.-China Trade Deal Reignites Interest in Stocks

CHICAGO, IL, USA, February 3, 2020 /EINPresswire.com/ -- Following months of cautious investing in 2019, wealthy investors in January accepted the reality of an aging bull market with staying power, raising their investment in equities, according to the February edition of Spectrem's High Net Worth Insights Journal.

The monthly Spectrem Millionaire Investor Confidence Index (SMICI®), which tracks changes in investment sentiment among households with \$1 MM or more in investable assets, rose by 14 points in January from 1 to 15, one of the largest monthly jumps in confidence in the 16-year history of the Spectrem Confidence Indices. The Spectrem Affluent Investor Confidence Index (SAICI®), which measures investment sentiment among the 17 MM households in America with more than \$500,000 in investable assets, reported a similar newfound enthusiasm, with a 10-point jump from -2 to 8. Both indices reached levels last seen in August of 2018.

The Spectrem Investor Confidence Indices survey was conducted Jan. 17-22, 2020, just days after the United States and China signed Phase One of a new trade deal, and before U.S. Senate deliberations began in the impeachment trial of President Donald Trump. Any impact from those proceedings on investor sentiment would not be reflected in the January indices.

Investors may have been influenced by their year-end financial statements, which reflected the huge growth most experienced in the value of their investment portfolios thanks to the year-long bull run in 2019. Believing the market will continue to be strong for the first part of 2020 may have increased the bullish sentiment among Millionaire investors and motivated them to expand their equity allotments.

Among Millionaire investors, individual equity investing interest rose from 26.5 percent to 34.6 percent, almost 9 percentage points higher than in December. That 34.6 percent of increased

	August 2019	September 2019	October 2019	November 2019	December 2019	January 2020
Spectrem Affluent Investor Confidence Index®	-7	-2	-3	1	-2	8
Spectrem Millionaire Investor Confidence Index®	-2	4	2	8	1	15

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



investment is the highest level for individual equities since June of last year and the greatest one month increase in investment intentions since August of 2018.

Millionaires also increased investing in stock mutual funds by 5 percent to 43.1 percent, the highest level of involvement in that type of equity product since February of 2018.

Among non-Millionaires, equity investing decreased by almost 4 percent to 20.8 percent, while investing intentions in stock mutual funds rose to 30 percent, the first time that segment increased investing that much since October of 2018.

All of the increases match percentage highs that date back to 2018. While sentiment strengthened month-over-month throughout 2019, the growth in investor confidence was nothing like the huge increase registered in January of 2020.

Spectrem's Household Outlook, which measures investor sentiment based on four key household financial components, rose for the fourth time in five months, to 26.70, the highest overall outlook since September of 2018. Improved outlook was reported among all four components but most notably in terms of the economy, which went from -8.80 among all investors to 9.20, a complete reversal of attitude about the state of the U.S. economy.

"While the stock market has been on a gradual but consistent climb for more a year, wealthy investors in January finally came around to the view that the bull market may have significant life remaining, expressing strong enthusiasm for increasing their investment in equities as long as the market continues to run hot," said Spectrem President George H. Walper Jr. "This significant boost in investor confidence may also have also been favorably influenced by the signing of an initial trade pact with China."

Charts, including a deeper analysis of the index and its methodology, are available upon request. Additional insights include:

- [Thrown to the Wind](#)

About Spectrem Group: Spectrem Group (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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