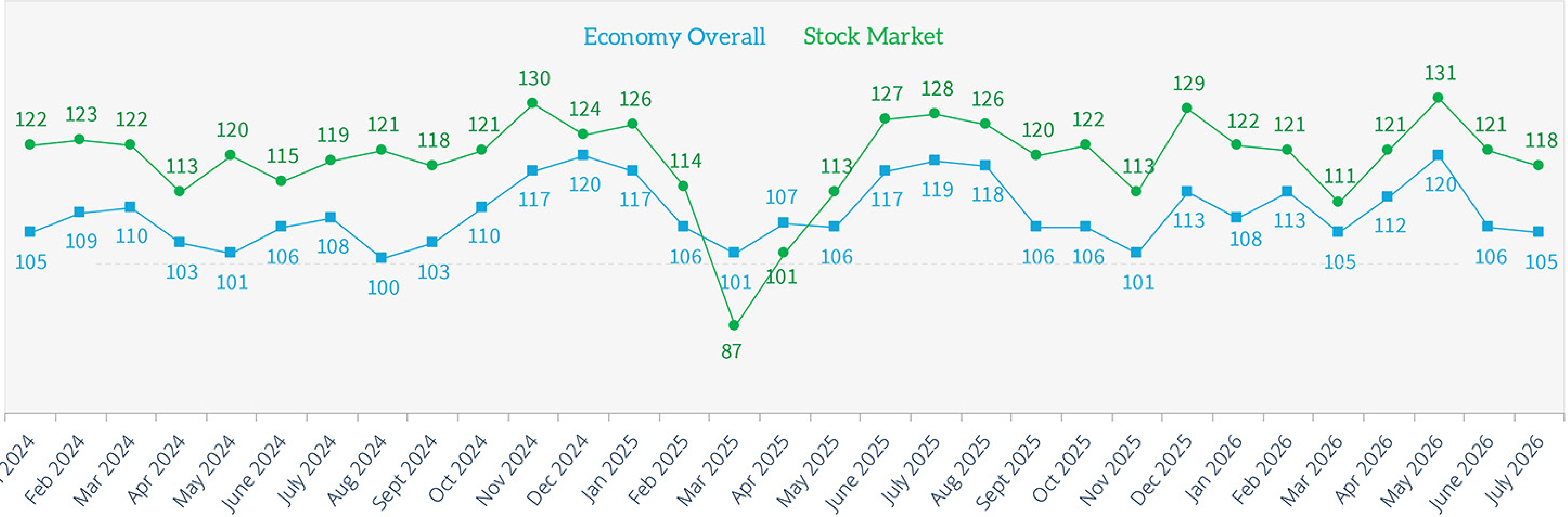
Advisor Sentiment Index:
Advisors Remain Optimistic, For Now

Section 1.

Advisor Sentiment Indices

Advisor Sentiment Indices

Confidence in both the economy overall and the stock market dropped slightly in July 2026.

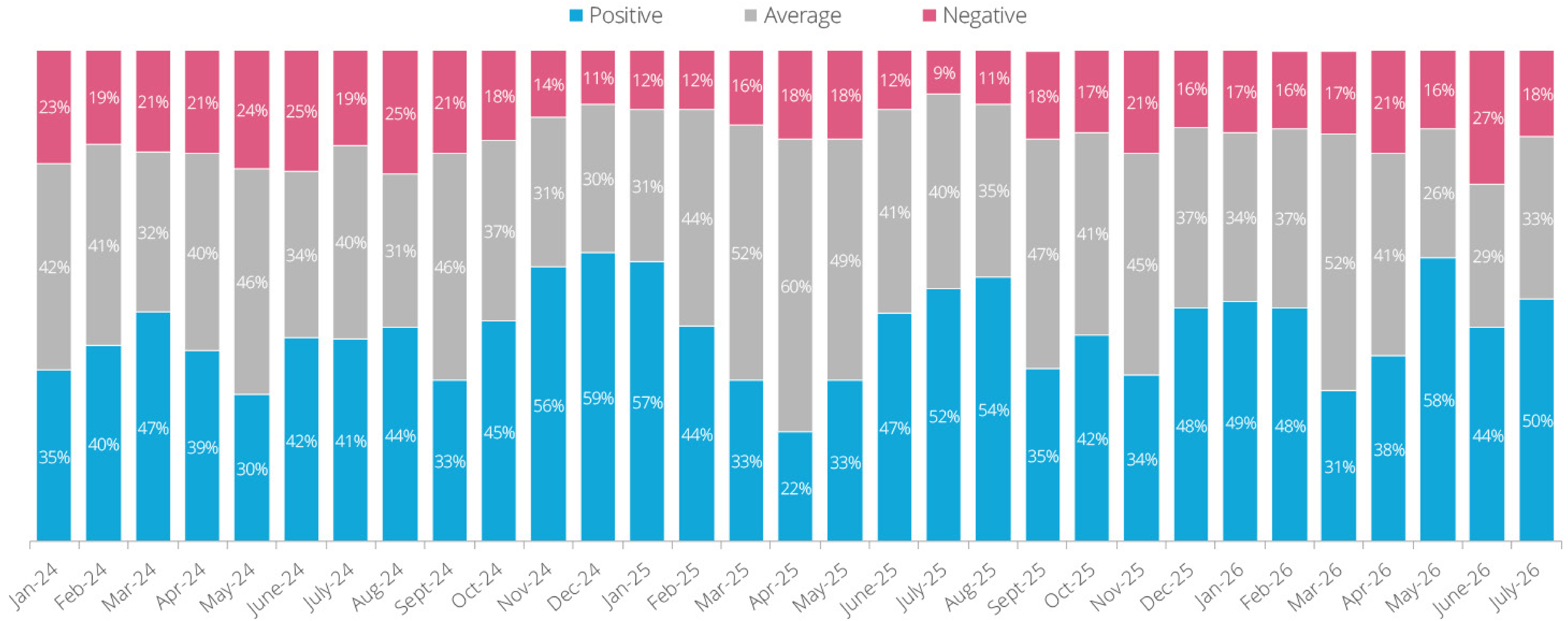


Analyst note: Indices can range from a low of 0 (extreme negative sentiment), to a high of 200 (extreme positive sentiment), with 100 as middle/neutral.

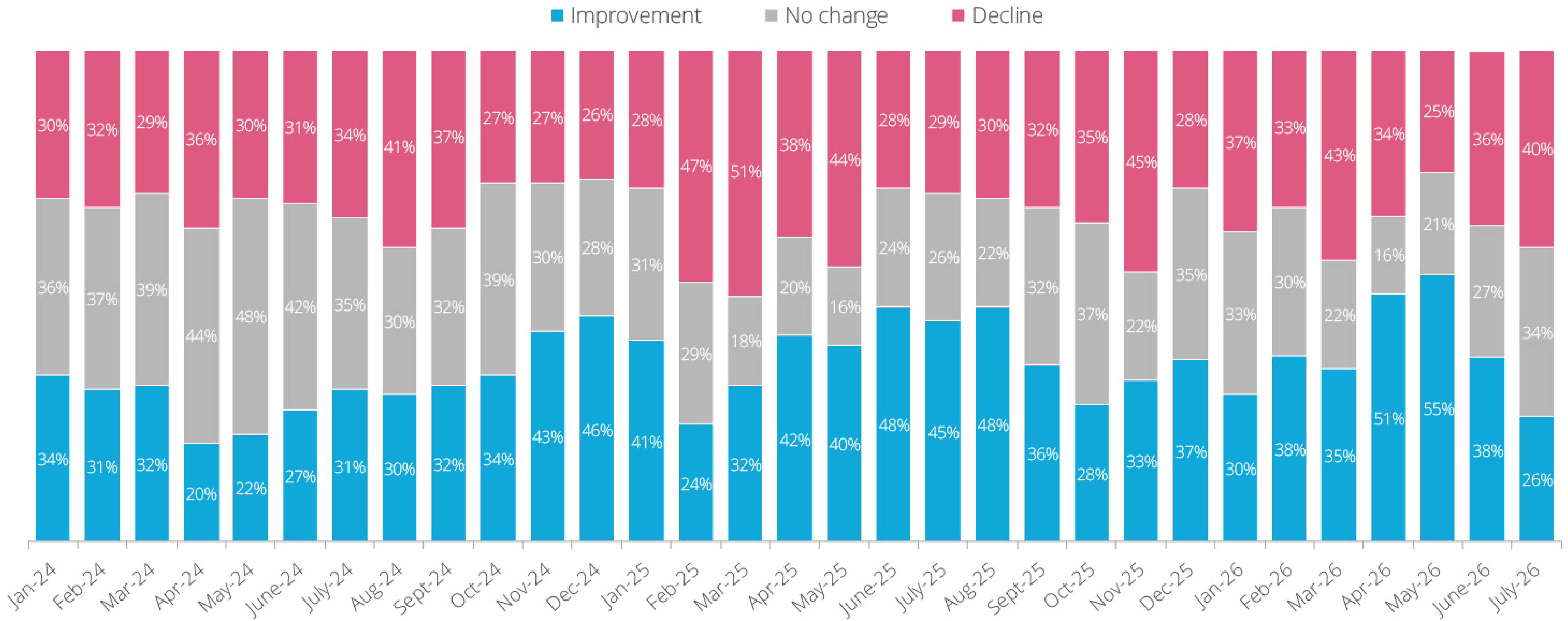
Section 2.

Trends: Health of the Economy

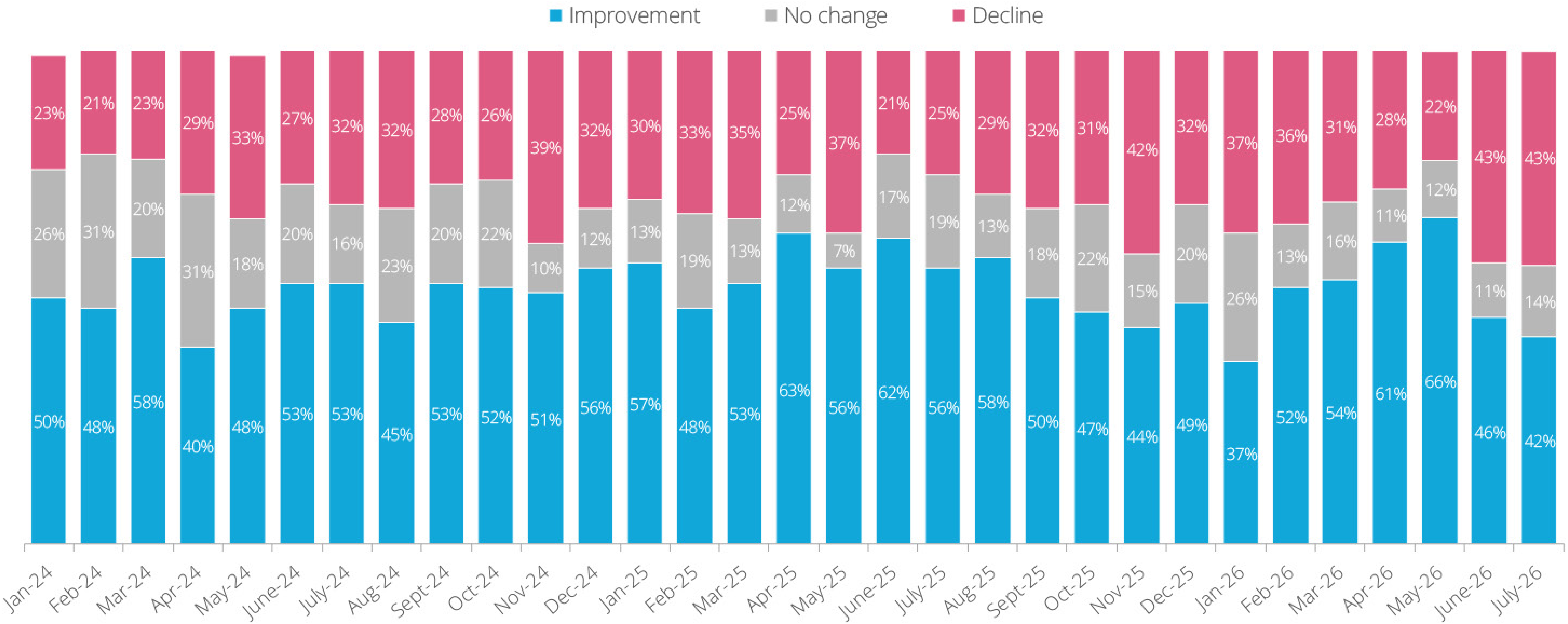
Current State of the Economy Overall Over Time



Anticipated Change in Overall Economy: 6-Month Window



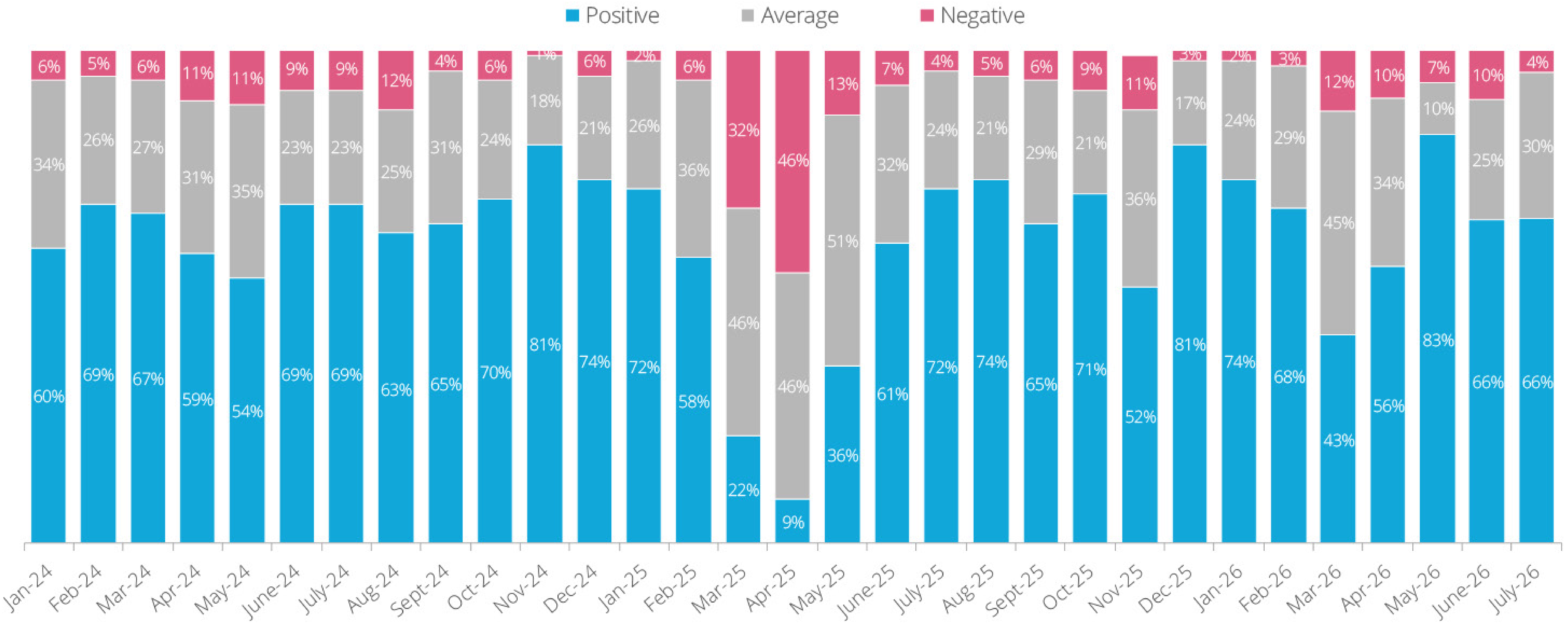
Anticipated Change in Overall Economy: 12-Month Window



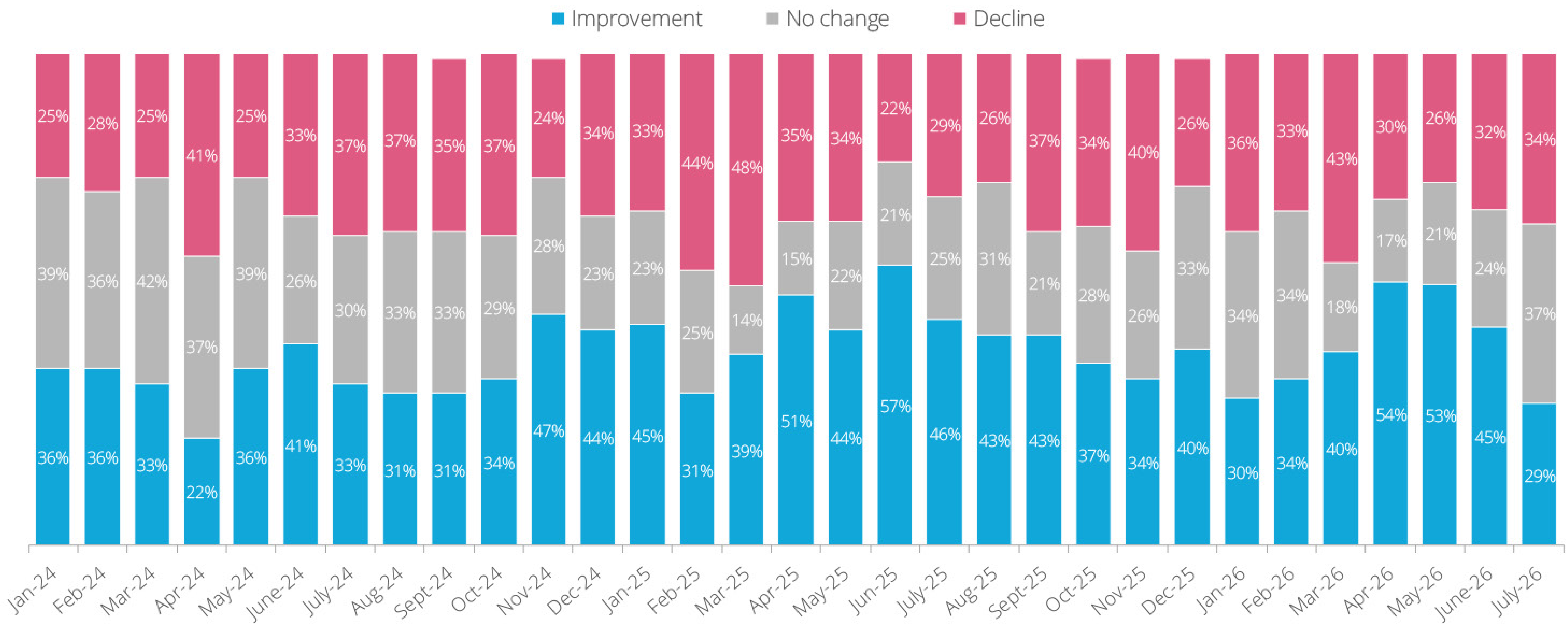
Section 3.

Trends: Health of the Stock Market

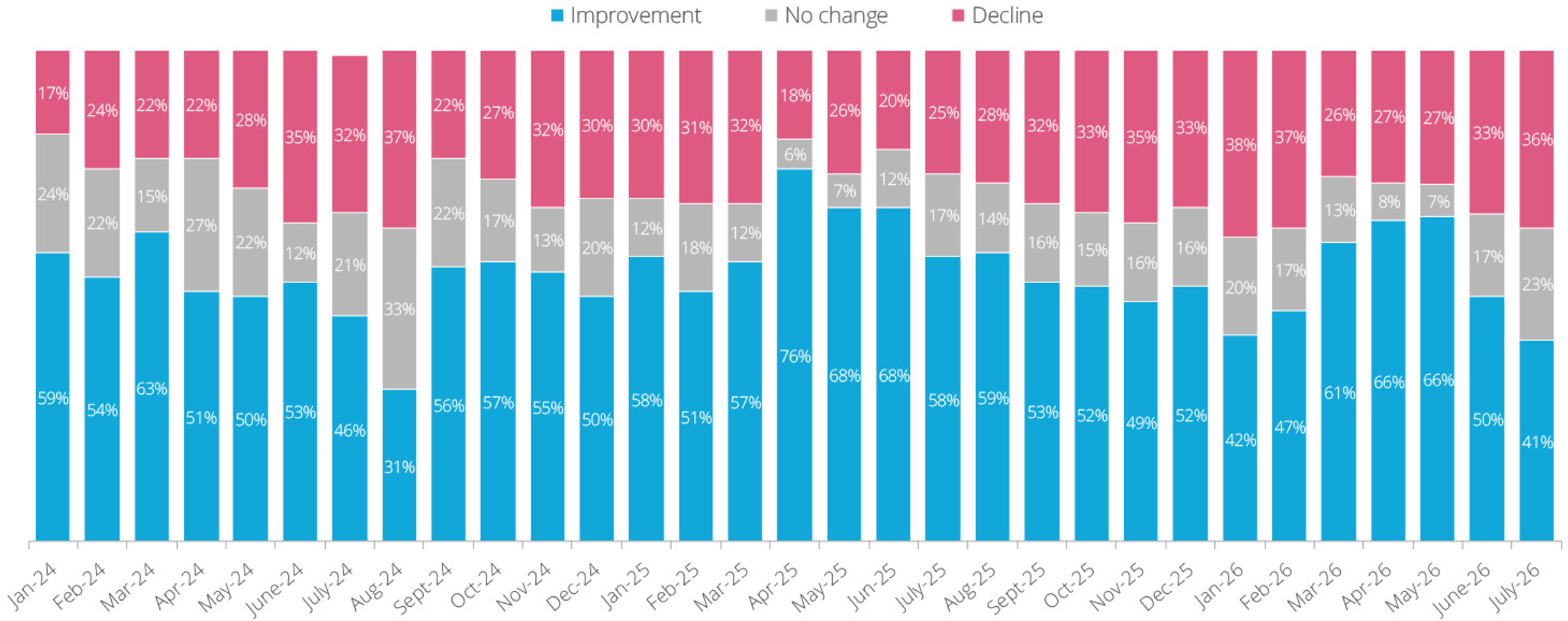
Current State of the Stock Market Over Time



Anticipated Change in Stock Market: 6-Month Window



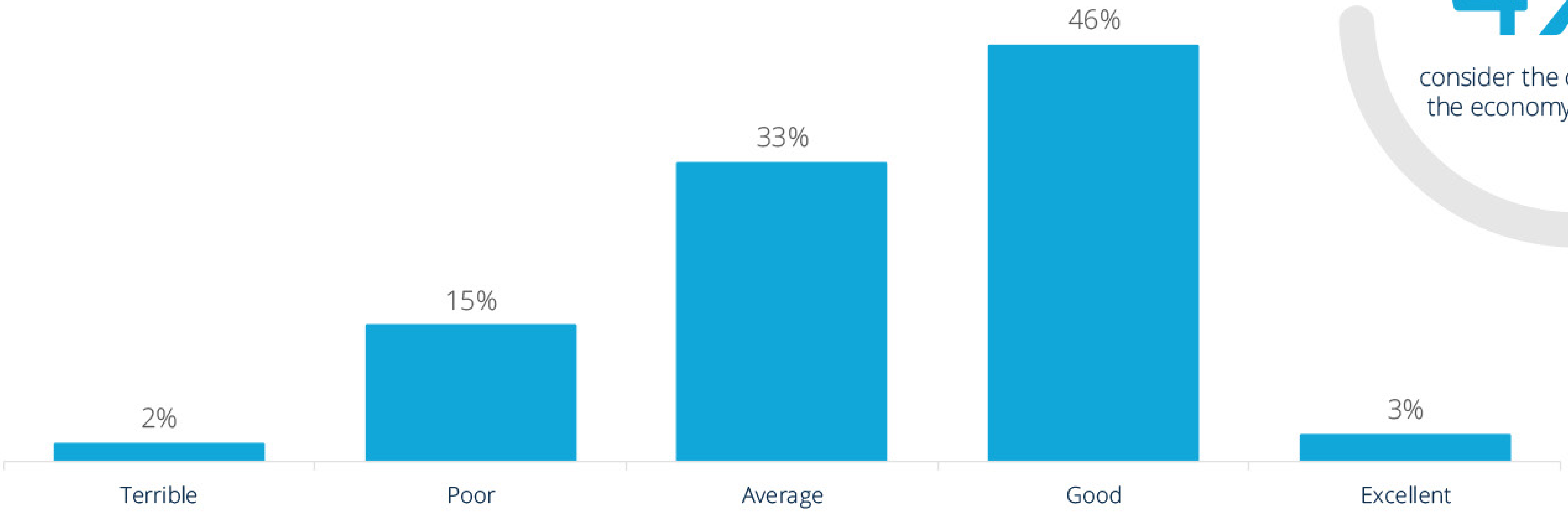
Anticipated Change in Stock Market: 12-Month Window



Section 4.
Detailed Findings

Current State of the Economy Overall

Half of all respondents (49%). consider the current state of the economy to be positive. An additional third (33%) consider it average.



49%

consider the current state of the economy to be positive

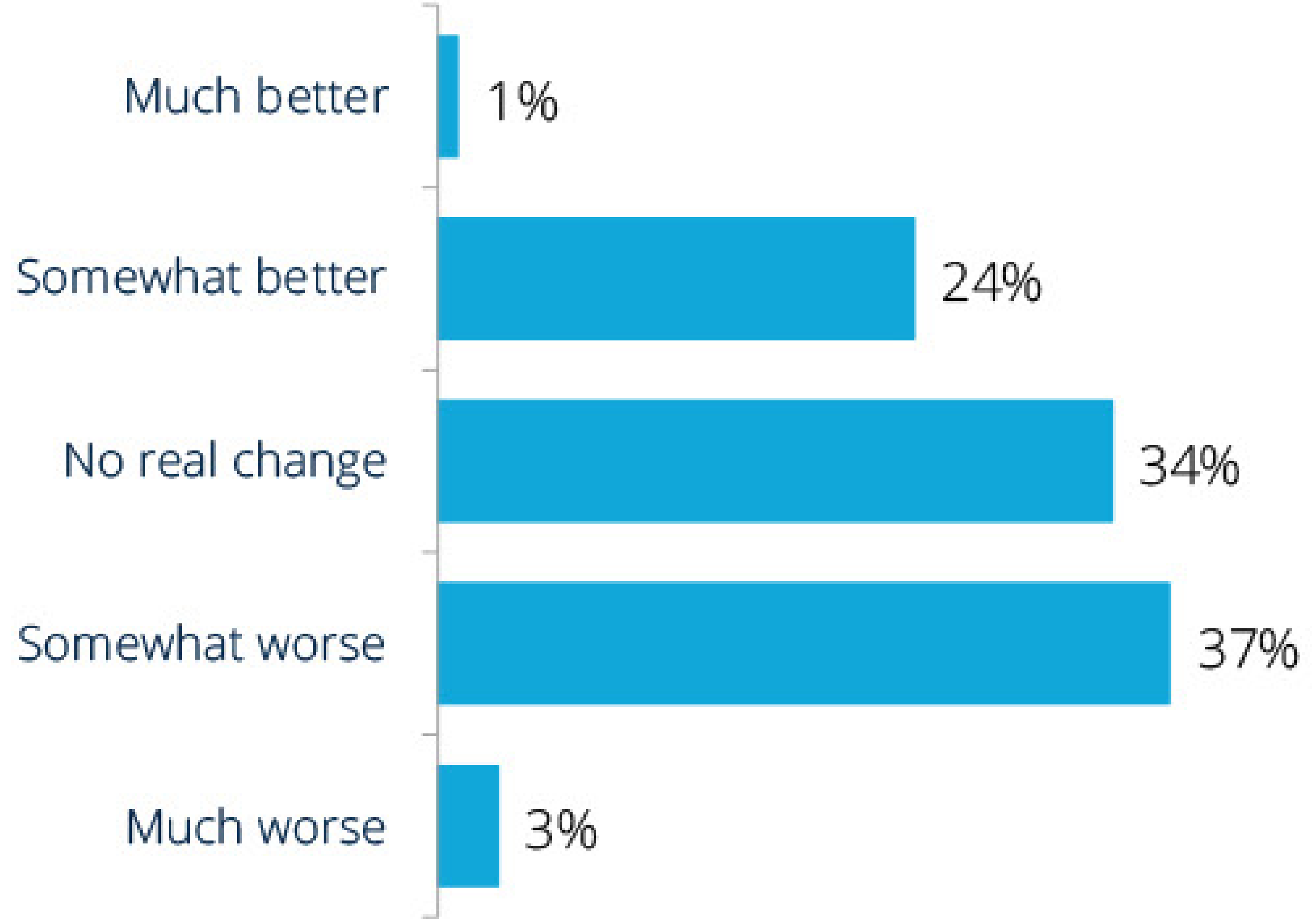
Question: How would you characterize the current state/health of the economy overall?
Base: All respondents (n=100).

Expected Change in the State of the Economy

Six months from now, 40% of respondents expect a decline in the state of the economy. One in four (25%) expect an improvement. Looking forward twelve months, respondents are split with 42% expecting an improvement and 43% expecting a decline.

Six Months from Now

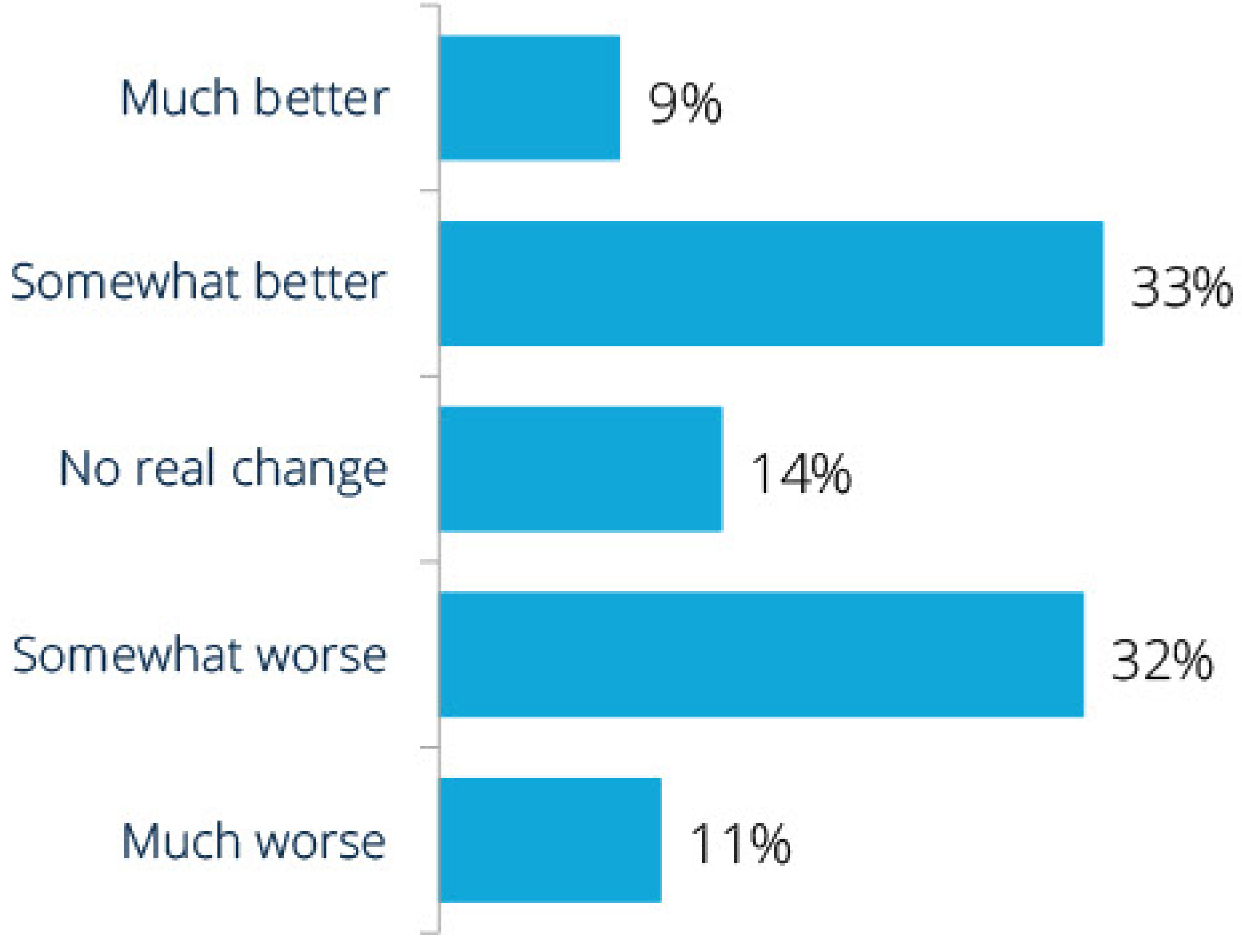
Net Improvement: 25%
Net Decline: 40%



Question: Relative to today, how do you expect the state/health of the economy to change 6 months from now?
Base: All respondents (n=100).

Twelve Months from Now

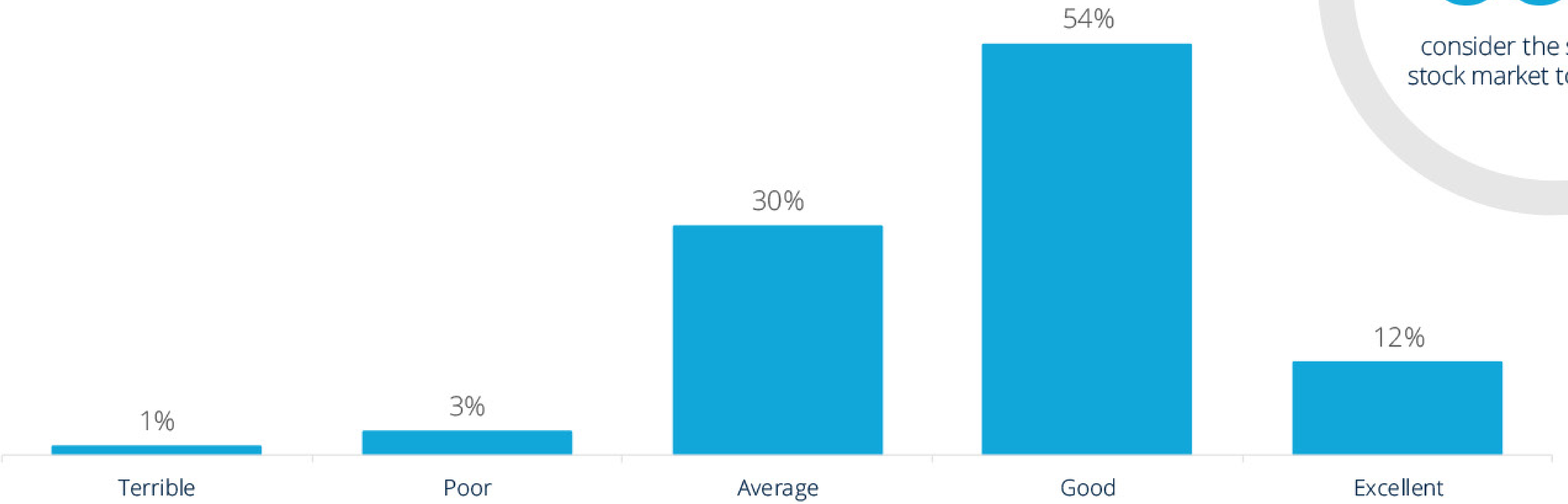
Net Improvement: 42%
Net Decline: 43%



Question: Relative to today, how do you expect the state/health of the economy to change 12 months from now?
Base: All respondents (n=100).

Current State of the Stock Market

A decisive majority of respondents (66%) consider the current state of the stock market to be positive, with just 4% expressing a negative view.



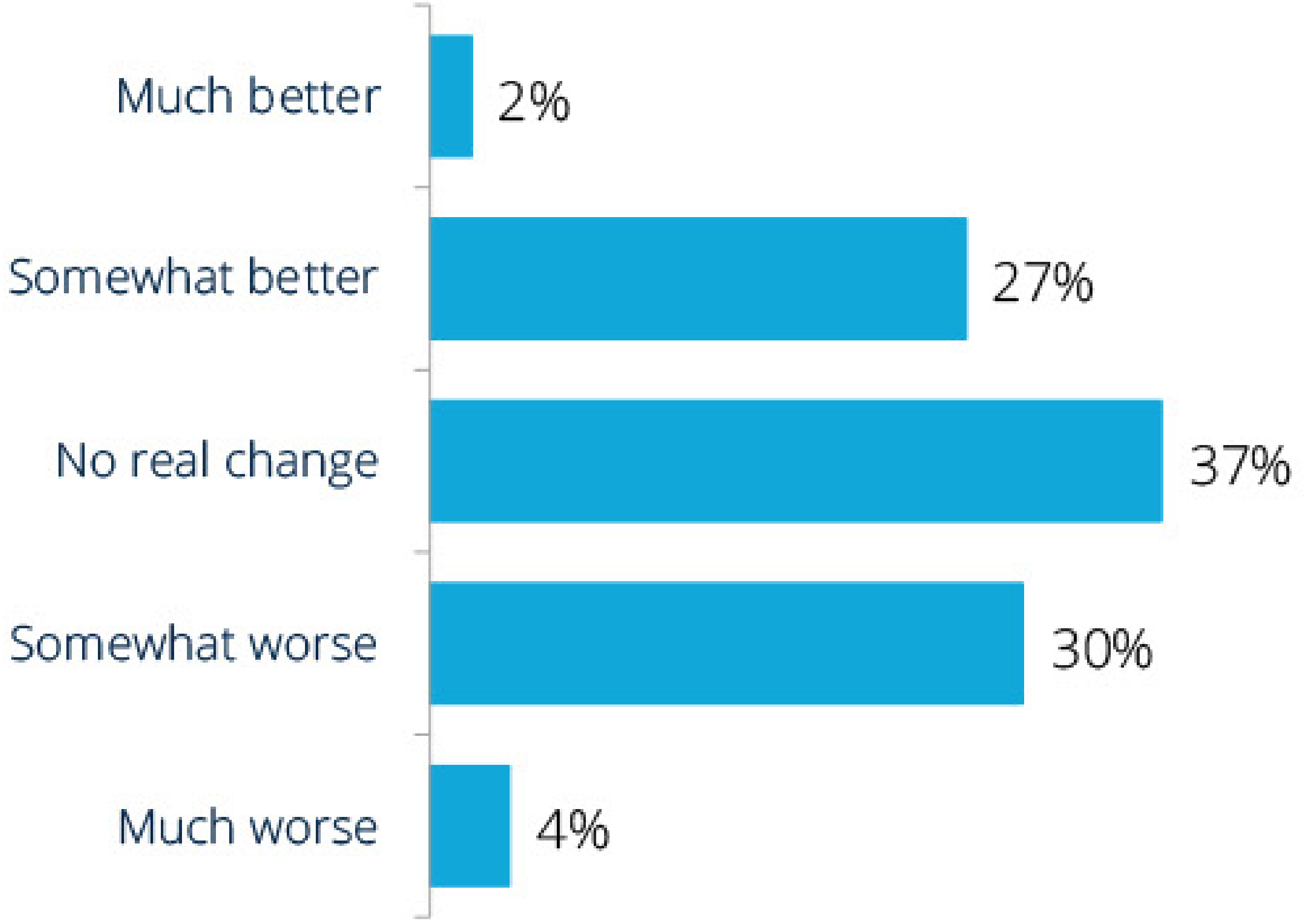
Question: How would you characterize the current state/health of the stock market?
Base: All respondents (n=100).

Expected Change in the State of the Stock Market

Respondent sentiment on the stock market is divided looking forward six months from now, with 29% expecting an improvement, and 34% expecting a decline. Looking forward 12 months, respondents remain divided, with 41% expecting an improvement, and 36% expecting a decline.

Six Months from Now

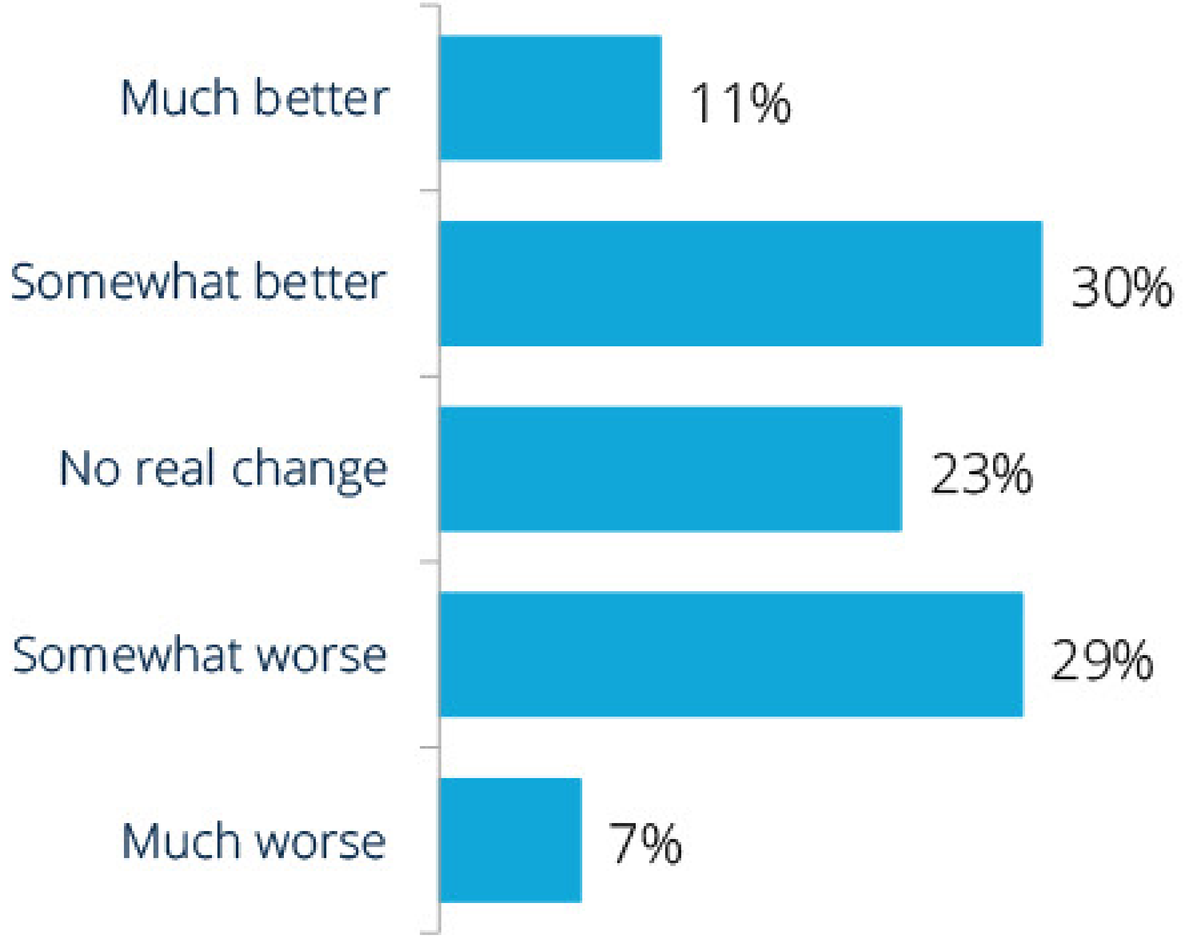
Net Improvement: 29%
Net Decline: 34%



Question: Relative to today, how do you expect the state/health of the stock market to change 6 months from now?
Base: All respondents (n=100).

Twelve Months from Now

Net Improvement: 41%
Net Decline: 36%



Question: Relative to today, how do you expect the state/health of the stock market to change 12 months from now?
Base: All respondents (n=100).

Section 5.
Respondent Commentary

Commentary on State of the Economy & Stock Market

Overall, respondents expressed cautious optimism about both the economy and stock market, recognizing resilient corporate earnings, employment, and equity performance while pointing to major underlying risk factors. Persistent inflation and consumer financial pressure, elevated market valuations, geopolitical and energy uncertainty, growing concerns about AI-related investment, and rising federal debt are contributing to uncertainty about whether current economic and market strength is sustainable.

1. **Geopolitical Conflict and Energy Prices Are Major Near-Term Risks:** The Iran conflict and broader Middle East tensions emerged as prominent concerns, particularly due to their impact on oil prices, inflation, trade, and financial-market uncertainty. Many believe an end to the Iran conflict and stabilization of energy flows could provide meaningful relief to the U.S. and global economies.
2. **Inflation and the Cost of Living Continue to Pressure Consumers:** Respondents remain concerned about persistent inflation and elevated costs for groceries, utilities, gasoline, housing, and borrowing. Several noted a disconnect between aggregate economic strength and the financial experience of average households, contributing to a "K-shaped" economy in which gains are unevenly distributed.
3. **Equity Markets Remain Resilient, but Valuations Raise Concerns:** Many characterized the stock market as strong and resilient, supported by corporate earnings, steady employment, and investor participation. At the same time, elevated P/E ratios, near-record market levels, and high real estate valuations are creating concern that markets may be overbought and increasingly vulnerable to economic or geopolitical shocks.
4. **AI Investment Is Creating Both Optimism and Bubble Concerns:** AI has become a distinct source of market risk, with respondents questioning whether massive infrastructure spending and debt associated with AI development can ultimately generate sufficient returns. Concerns about an "AI bubble" suggest advisors are increasingly scrutinizing whether current valuations and capital expenditures are supported by sustainable earnings and productivity gains.
5. **Fiscal, Political, and Policy Uncertainty Cloud the Longer-Term Outlook:** Federal deficits and national debt were cited as significant structural concerns, in addition to uncertainty surrounding tariffs, elections, regulation, Social Security, and government policies. Views on the current administration varied sharply, but across political lines there was a common sense that policy decisions and fiscal sustainability could materially influence the economy's longer-term trajectory.