

# Q4 2024 Trader Client Sentiment Report

*charles*  
SCHWAB

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## Important Information

- The information provided here is for general informational purposes only and should not be considered an individualized recommendation or personalized investment advice. All expressions of opinion are subject to changes without notice in reaction to shifting market, economic, and geopolitical conditions.
- Data herein is obtained from what are considered reliable sources; however, its accuracy, completeness, or reliability cannot be guaranteed. Supporting documentation for any claims or statistical information is available upon request.
- Past performance is no guarantee of future results.
- Investing involves risk, including, for some products, more than your initial investment.

# Q4 2024 Trader Sentiment Executive Summary

**Bullish sentiment among traders is holding steady.**

## Key Q4 Themes

- **Political landscape is a top concern:** The political landscape in Washington, D.C. is traders' top financial concern, up five points from Q3 to 26%. In addition, 17% of traders are most concerned about geopolitical/global macro issues, up nine points from the previous quarter.
- **New Presidential administration will influence markets:** Roughly half of traders feel a new presidential administration will be a top influencer on the market in 2025.
- **The potential for a recession is still on traders' minds:** Over half feel one is likely in 2025.
- **A slight majority believe the Fed is finished with rate cuts for 2024.** However, 60% of traders believe cuts of an additional 25 to 75 basis points are coming in 2025, with another quarter believing even deeper cuts are possible.
- **A 24-hour market has appeal:** Nearly 90% of traders say they would access the market if open outside of standard hours.

# Q4 2024 Trader Sentiment Snapshot

Good Time to Invest in Equities

49%



Better Off Financially

53%

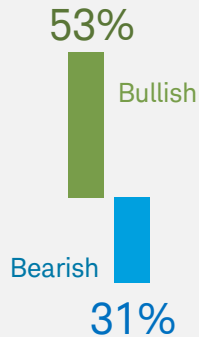


Confident In Decisions

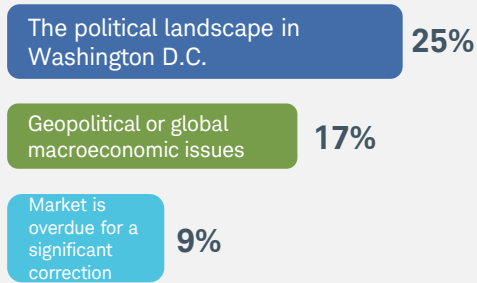
69%



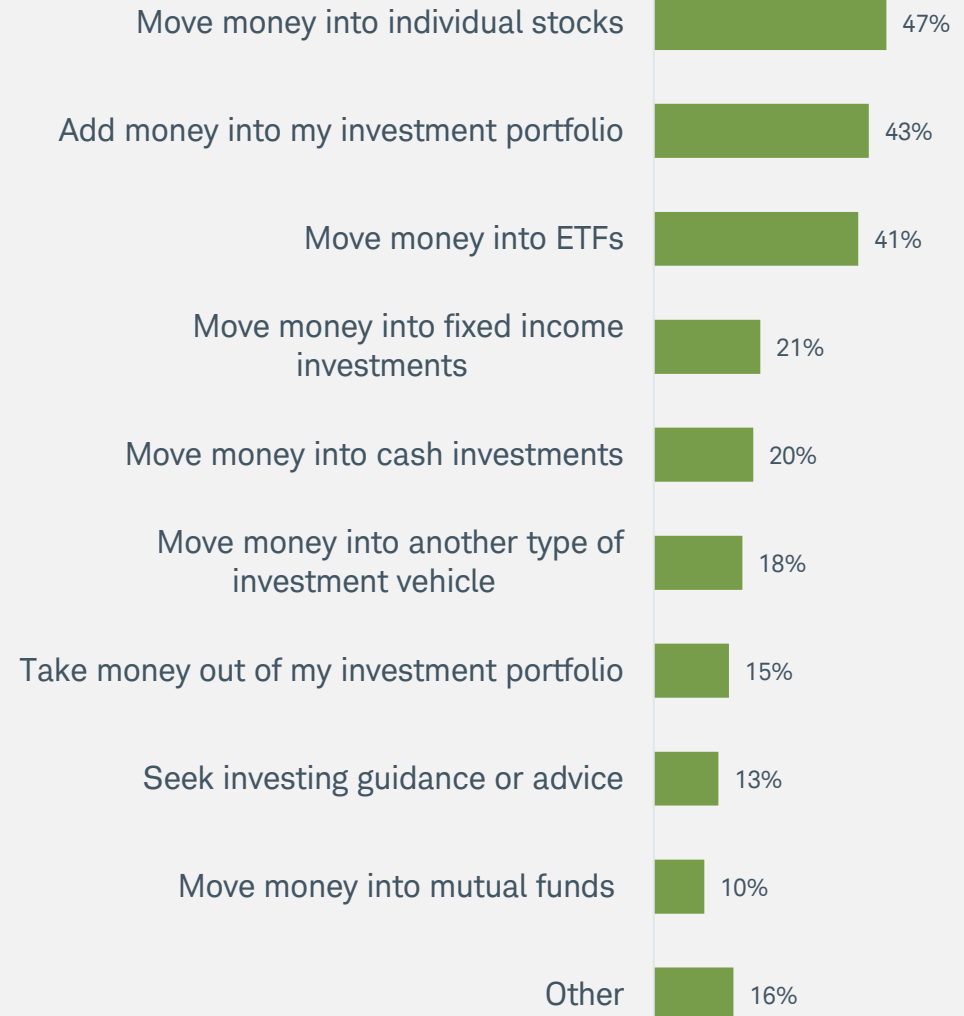
## 3 Month Outlook



## Primary Concern Next 3 Months

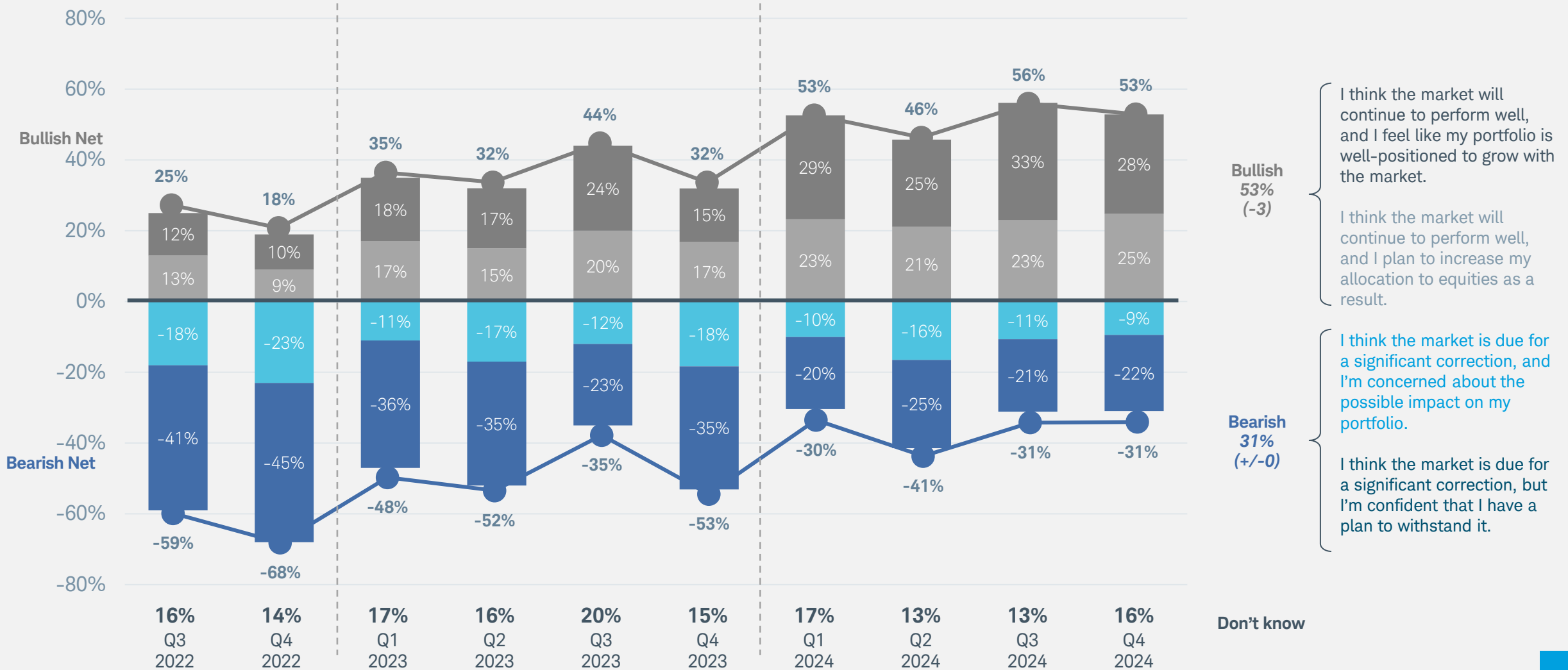


## Planned Actions For The Next 3 Months



# Trader sentiment held steady in Q4 2024.

## Outlook For U.S. Stock Market (Single response only; Among Trader Sample)



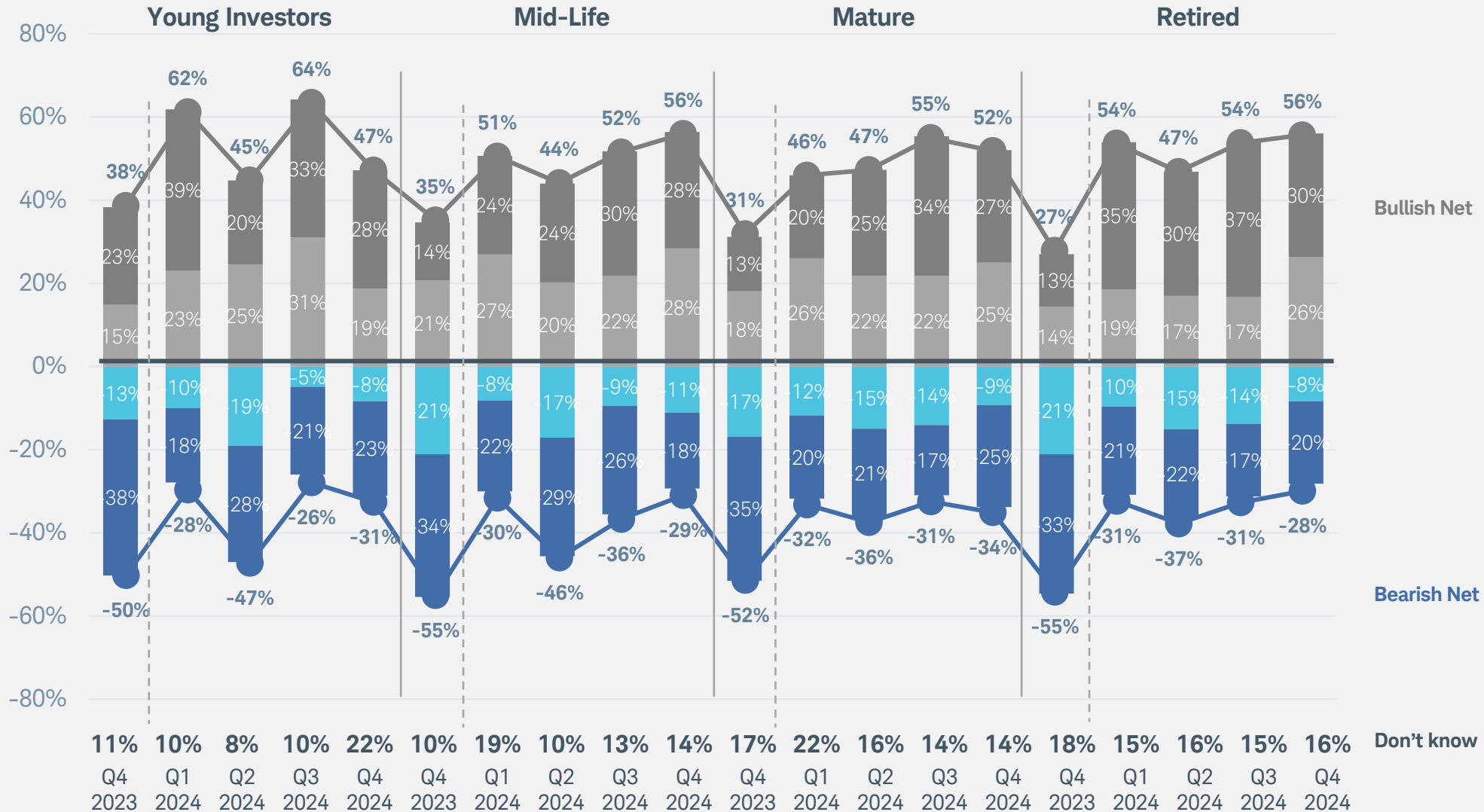
Base = Weighted Total (n=843)

Q6. Thinking about the next 3 months, which statement best describes your outlook for the U.S. stock market?

# Younger traders report a shift towards bearishness in Q4 2024.

## Outlook For U.S. Stock Market By Life Stage

(Single response only; Among Trader Sample)



I think the market will continue to perform well, and I feel like my portfolio is well-positioned to grow with the market.

I think the market will continue to perform well, and I plan to increase my allocation to equities as a result.

I think the market is due for a significant correction, and I'm concerned about the possible impact on my portfolio.

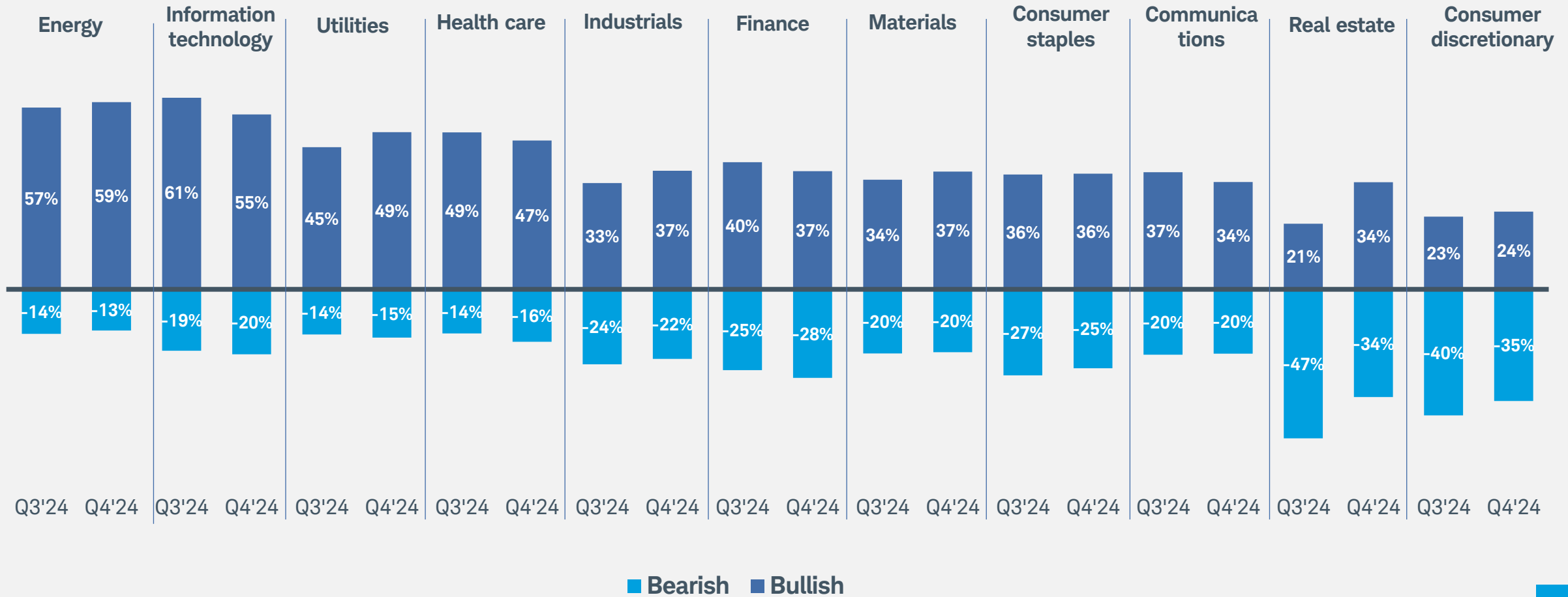
I think the market is due for a significant correction, but I'm confident that I have a plan to withstand it.

Base = Weighted Total (n=843)

Q6. Thinking about the next 3 months, which statement best describes your outlook for the U.S. stock market?

**Bullishness is highest in the Energy and Information Technology sectors, but trader sentiment toward Real Estate saw a sharp improvement.**

### Sector Sentiment Q3 vs Q4 (Among Trader Sample)

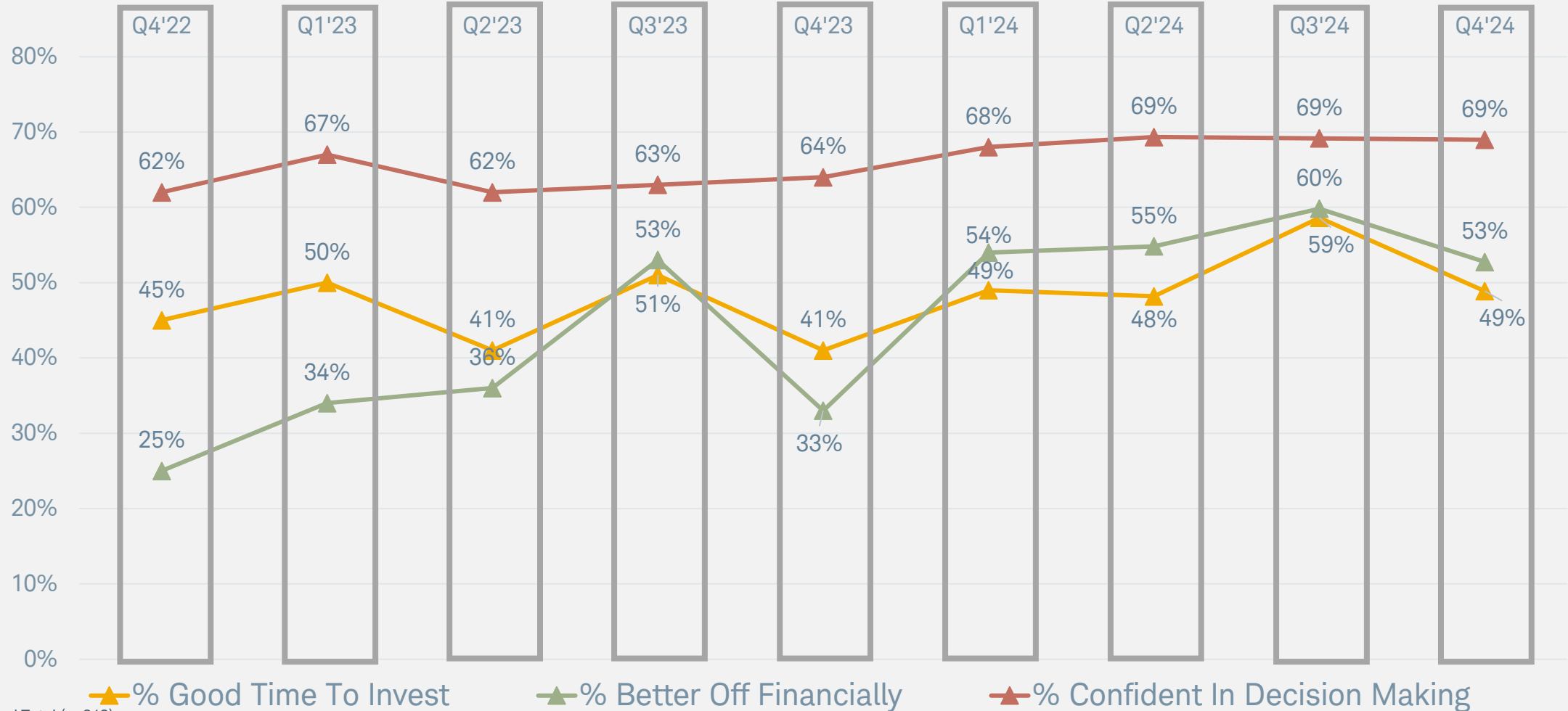


Base = Weighted Total (n=843)  
Q23A. In your opinion, which term best describes the U.S. stock market for each of the following sectors over the next three months?

# While trader confidence remains steady, there were declines in how traders feel about investing in equities and their overall financial situation.

## Trader Confidence Trends

October 2022 – October 2024



Base = Weighted Total (n=843)

Q1. In your opinion, is this a good time or bad time to invest in stocks, mutual funds and other equity-based investments?

Q3. In terms of how you are getting along financially, compared to a year ago, are you...?

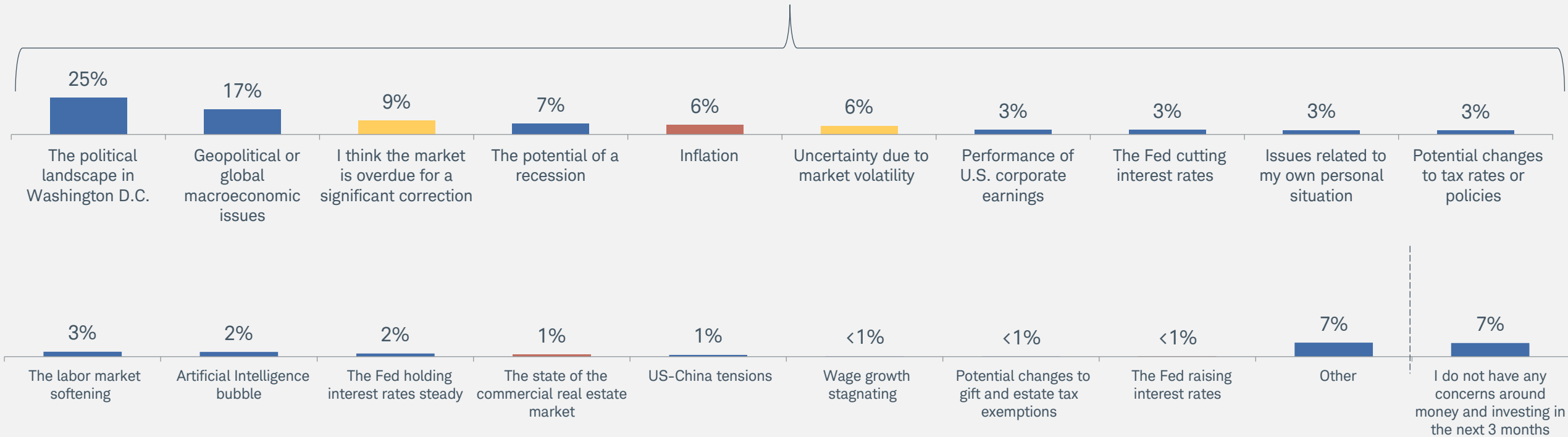
Q4. How confident are you in making investment decisions for your household?



# The political landscape is traders' primary investing concern in Q4 2024.

## Primary Concern About Investing (Single response only; Among Those With A Concern; Among Trader Sample)

Note: Percentages based among those with a concern



Base = Weighted Total (n=843)

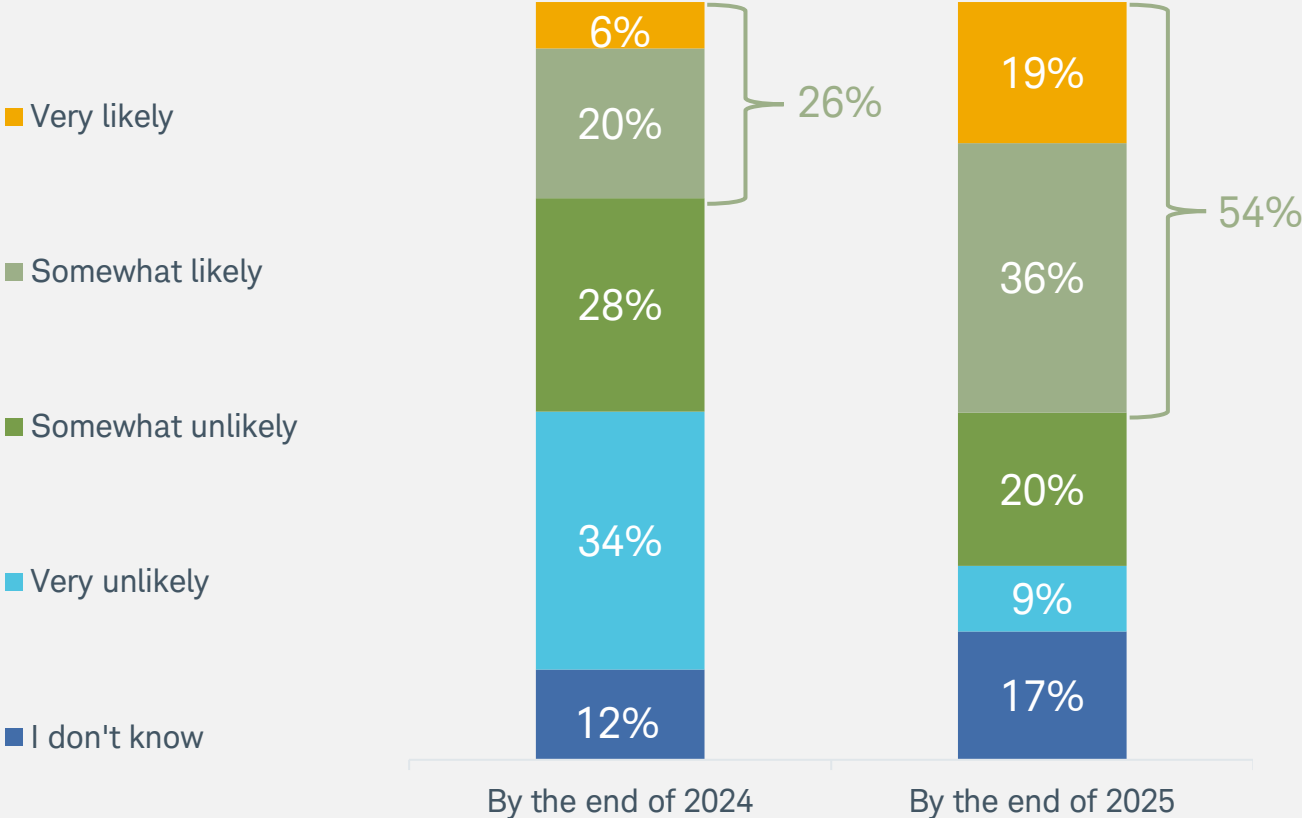
Q7. What is your primary concern around money and investing within the next 3 months?

## Q4 **Trader Ad Hoc Topics**

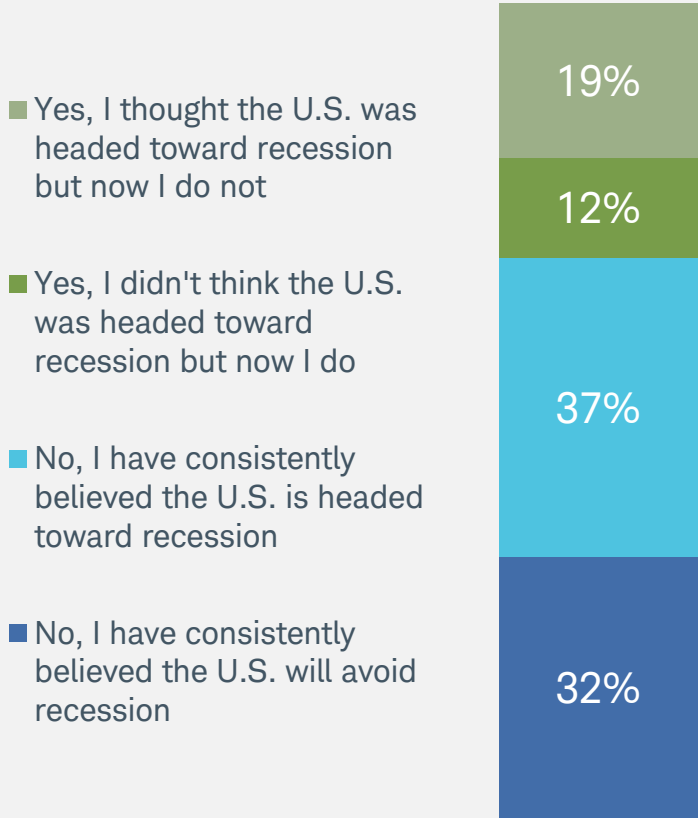
- Economic Outlook
  - Likelihood of Recession
  - Fed Rate Cuts
  - Impact on Stocks
- Trading Trends and Landscape
  - Bullish & Bearish Views
  - Trading of Instruments in 2024 (Consideration)
  - Potential for 24-Hour Market
  - Important Attributes for Futures

# More than half of traders think a recession is likely in 2025.

## Expected Likelihood of U.S. Recession (Single response only; Among Trader Sample)



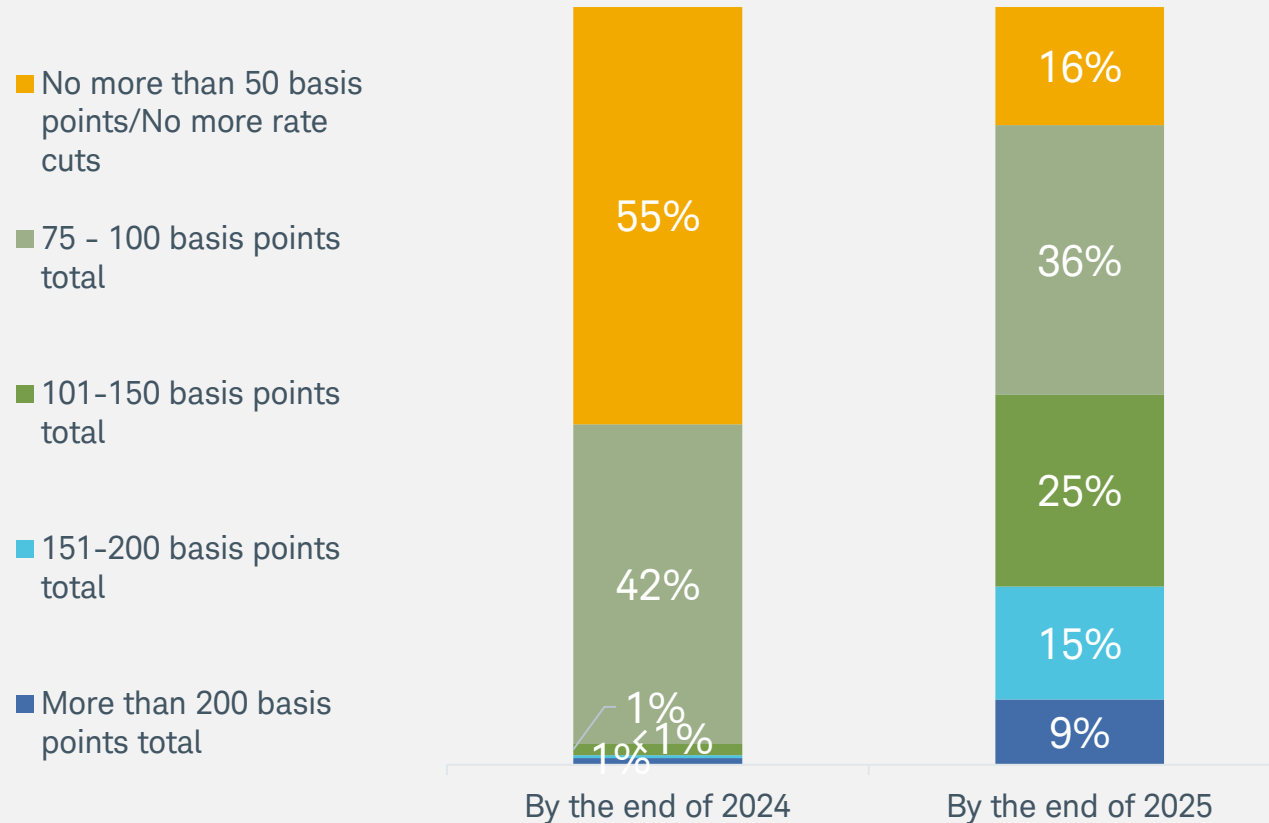
## Changed Perspectives on Recession (Single response only; Among Trader Sample)



Base = Weighted Total (n=843)  
 QAT\_Q424\_1. What are your expectations for a recession beginning in the U.S.?  
 QAT\_Q424\_2. Since the start of 2024, have you changed your opinion about the likelihood that the U.S. economy is headed toward recession?

# More than half of traders see further rate cuts in 2024 as unlikely, but many (84%) feel cuts of greater than 75 basis points will take place in 2025.

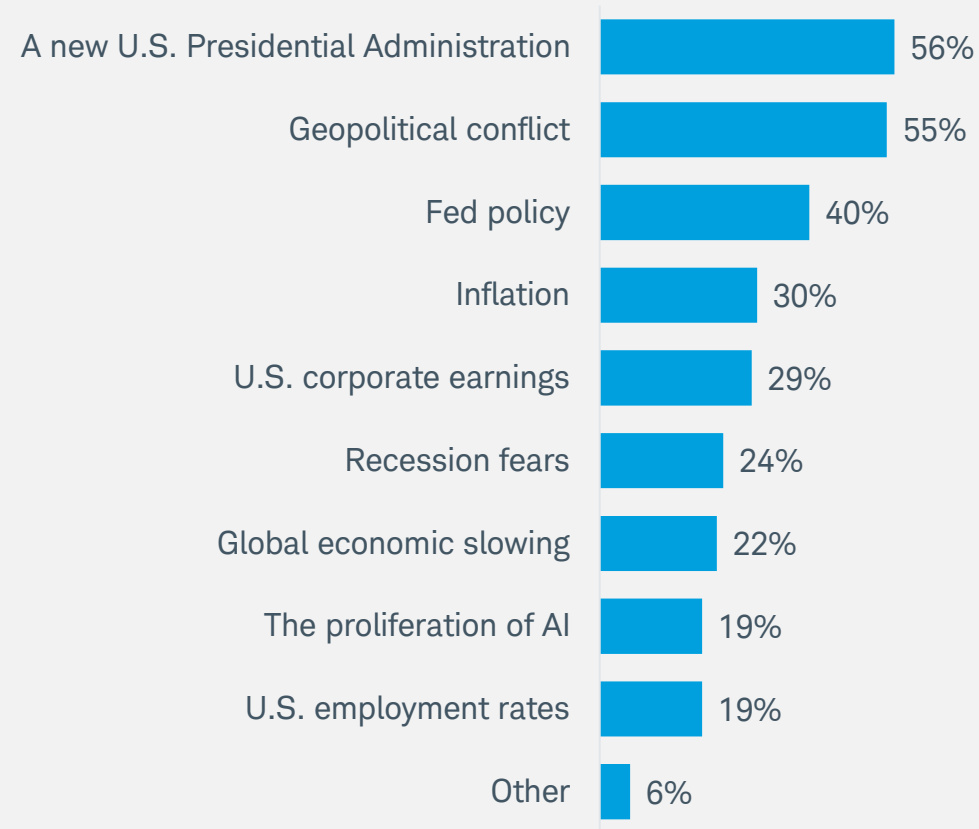
**Magnitude of Fed Rate Cuts**  
(Single response only; Among Trader Sample)



Base = Weighted Total (n=843)  
QAT\_Q424\_3. What are your expectations for total Fed rate cuts (including what has already taken place)?

# Traders expect the change in U.S. Presidential administration will have the greatest impact on the stock market in 2025, followed by potential geopolitical conflict and Fed policy.

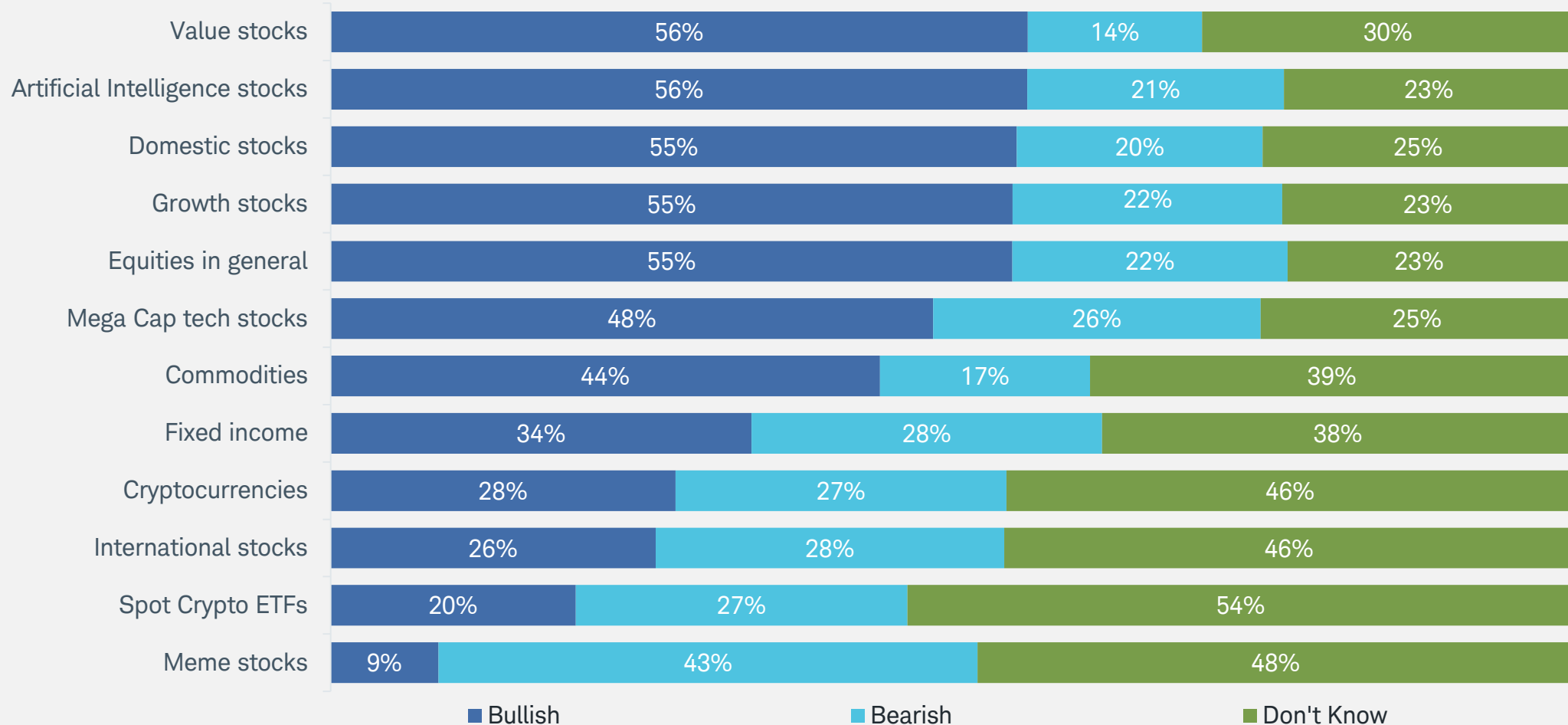
## Impact on Stock Market in 2025 *(Select top three; Among Trader Sample)*



Base = Weighted Total (n=843)  
QAT\_Q424\_4. Which of the following do you expect will have the biggest impact on the stock market in 2025?

**More than half of traders are bullish on equities in general, growth stocks, domestic stocks, artificial intelligence (AI) stocks and value stocks. Forty-three percent are bearish on meme stocks.**

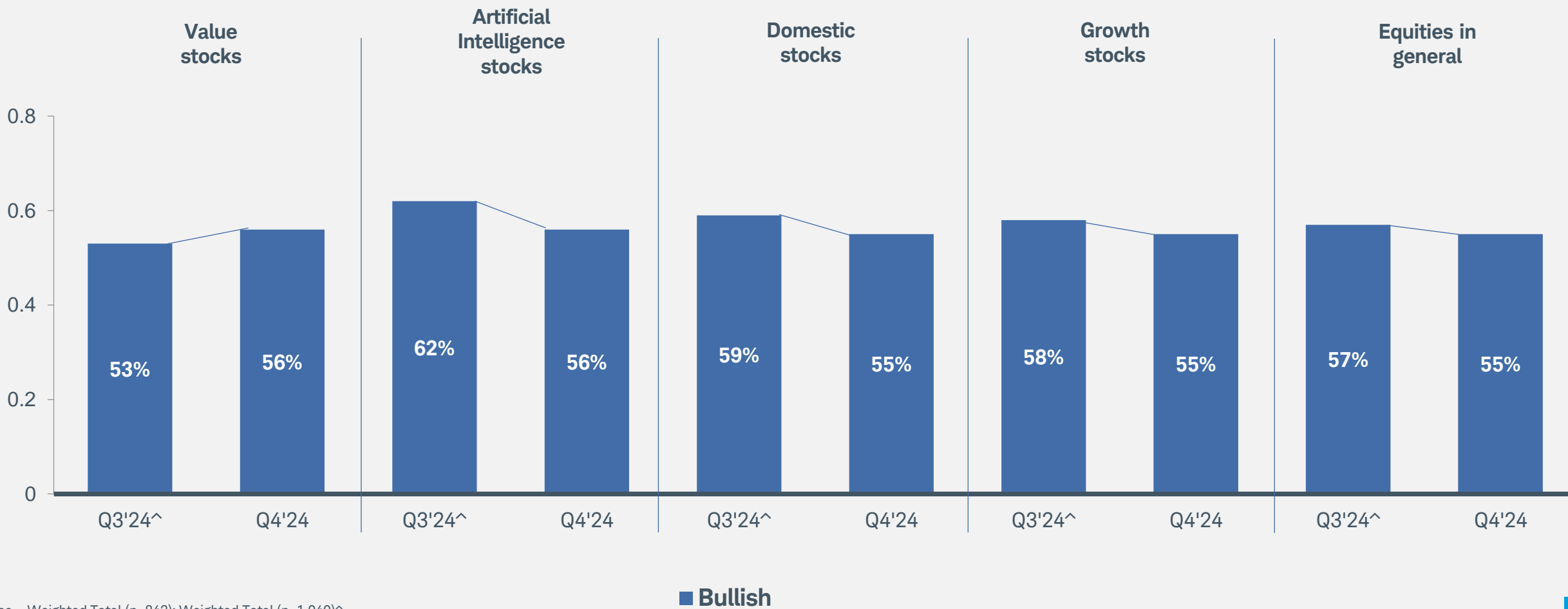
### Sentiment Over Next 3 Months (Single response only; Among Trader Sample)



Base = Weighted Total (n=843)  
QAT\_Q424\_5. Are you bullish or bearish on each of the following for the next 3 months?

# Trader sentiment toward AI stocks has dipped since Q3.

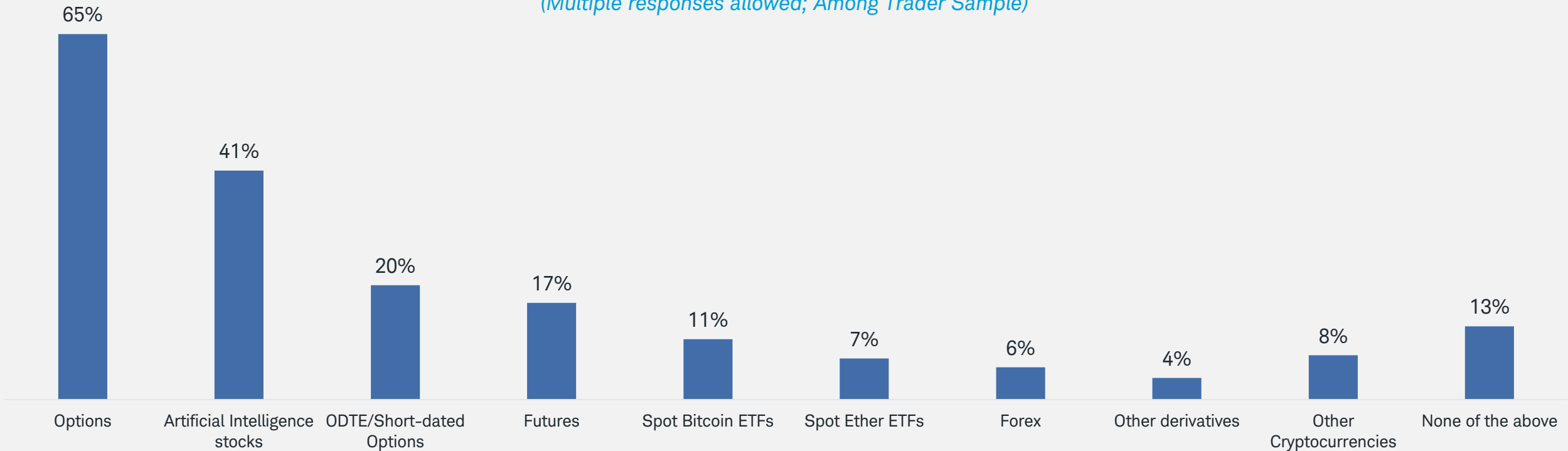
## Sentiment Toward Five Most Bullish Investment Vehicles – Q3 vs Q4 (Among Trader Sample)



Base = Weighted Total (n=843); Weighted Total (n=1,040)^  
QAT\_Q424\_5. Are you bullish or bearish on each of the following for the next 3 months?

# One-in-five traders is considering short-dated options in Q4 2024.

**Instruments Considering Trading in Q4'24**  
(Multiple responses allowed; Among Trader Sample)



Base = Weighted Total (n=843)  
QAT\_Q424\_6. Which, if any, of the following instruments are you considering trading in Q4 2024?

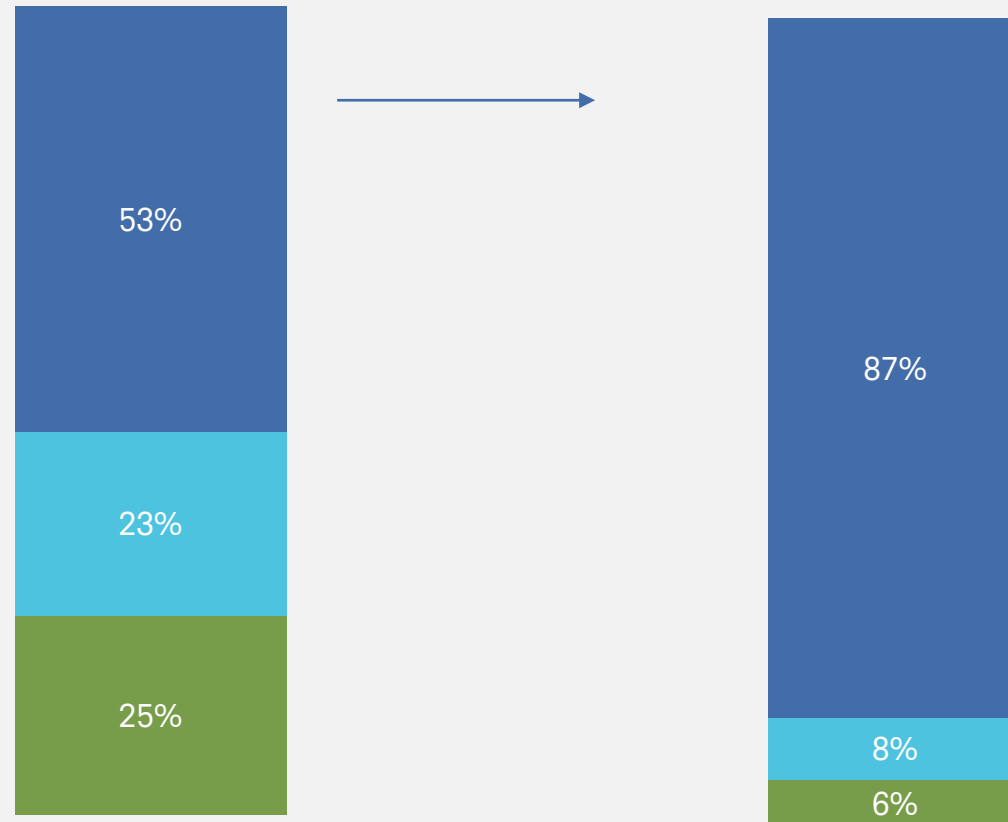


# Nearly nine-in-ten would be likely to access them if they stayed open 24/5.

**Likelihood Markets Open 24-Hours**  
(Single response only; Among Trader Sample)

**Likelihood to Access Markets Outside of Standard Hours<sup>^</sup>**  
(Single response only; Among Trader Sample)

- Yes
- No
- Unsure



Base = Weighted Total (n=843); Base = Think Markets Will Stay Open 24-Hours Someday In The Future (n=444)<sup>^</sup>

QAT\_Q424\_7. Do you think markets will stay open 24 hours someday in the future?

QAT\_Q424\_8. If markets are open 24 hours a day five days a week someday, would you be likely to access them outside of today's standard market hours?



# Methodology & Sample Information

# Methodology and Respondent Demographics

## Background:

Charles Schwab & Co has tracked client sentiment for over 10 years to gauge how clients (investors) are feeling about their current financial situation, market & investing opportunities or risks, the market outlook, and their confidence in investing and achieving financial goals.

Since Q4'21, Schwab has tracked client sentiment among **active traders** separately.

## Methodology:

- The data is collected quarterly via an online survey amongst Schwab clients with Retail Assets of at least \$2,000
- Q4 study was fielded October 7<sup>th</sup> – October 14<sup>th</sup>, 2024

## Sample:

- 843 active traders (clients who actively trade equities or trade options, futures, or forex).
- The data was weighted by Life Stage and Investible Assets/Affluence to reflect the Trader segment.
- Counts noted below are prior to weighting to show the sample sizes used for subgroup analysis.

## Rounding:

- In some cases, the individual elements of a chart may not sum to the total due to rounding.

<b>Gender</b> Male 736 (87%) Female 69 (8%) No answer 38 (5%)	<b>Affluence</b> UHNW (\$10M+) 12 (1%) HNW (\$1M-<\$10M) 173 (21%) Mass Affluent (\$250K-<\$1M) 232 (28%) Core (<\$250K) 426 (51%)	<b>Active Trader</b> Active 843 (100%) Not Active 0 (0%)
<b>Life Stage</b> Younger Investor (<40) 96 (12%) Mid-Life (40-55) 195 (24%) Mature (55+ not retired) 284 (35%) Retired 248 (30%)	<b>Financial Consultant Relationship</b> Has Financial Consultant 184 (22%) Does not have Financial Consultant 659 (78%)	<b>Employment Status</b> Employed full-time 292 (35%) Employed part-time 20 (2%) Self-employed 125 (15%) Retired/Semi-retired 325 (39%) Other 30 (4%) No answer 51 (6%)