Q3 2026
Retail Client Sentiment Report

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Important Information

- This material is intended for informational purposes only. The investment strategies mentioned may not be suitable for everyone. Each investor needs to review an investment strategy for his or her own particular situation before making any investment decisions.
- Investing involves risk, including loss of principal, and for some products and strategies, loss of more than your initial investment.

Q3 2026 Retail Client Sentiment Executive Summary

Bullishness has rebounded across Schwab's retail client population in Q3.

KEY Q3 THEMES

All Retail Clients

- Schwab's retail clients are more bullish (47%) than bearish on the U.S. stock market, a significant jump from 28% bullishness in Q2.
- The political landscape in Washington D.C. is clients' top investing concern, but inflation concerns are on the rise.
- Confidence remains steady, with just over half (51%) confident in making investment decisions and 45% planning to add money to their portfolios in Q3.

Active Trader Clients

- Fifty-seven percent of traders are bullish – 10 percentage points higher than retail clients overall.
- Despite concerns that the market may be overvalued, traders continue to seek opportunities. Eighty-four percent say they are likely to "buy the dip" in the event of a market decline in Q3, and 41% describe themselves as at least somewhat risk-seeking.

Gen Z Clients

- Gen Z clients mirror the broader shift toward bullish sentiment, with bullishness doubling quarter-over-quarter (48% bullish in Q3 versus 24% bullish in Q2).
- An AI bubble is Gen Z clients' primary investing concern in Q3.

Q3 2026 Sentiment Snapshot

3 Month Outlook

	All Retail Clients	Active Trader Clients	Gen Z Clients
Bullish	47%	57%	48%
Bearish	35%	30%	40%

	Good Time To Invest	Better Off Financially	Confident In Decisions
All Retail Clients	49%	48%	51%
Active Trader Clients	60%	65%	67%
Gen Z Clients	50%	64%	57%

Primary Concern Next 3 Months

All Retail Clients

- The political landscape in Washington D.C. — 20%
- Market is overdue for a significant correction — 13%
- Inflation — 12%

Active Trader Clients

- Geopolitical or global macroeconomic issues — 15%
- Inflation — 15%
- The political landscape in Washington D.C — 14%

Gen Z Clients

- Artificial Intelligence Bubble — 25%
- The political landscape in Washington D.C. — 13%
- Geopolitical or global macroeconomic issues — 12%

All Retail Clients

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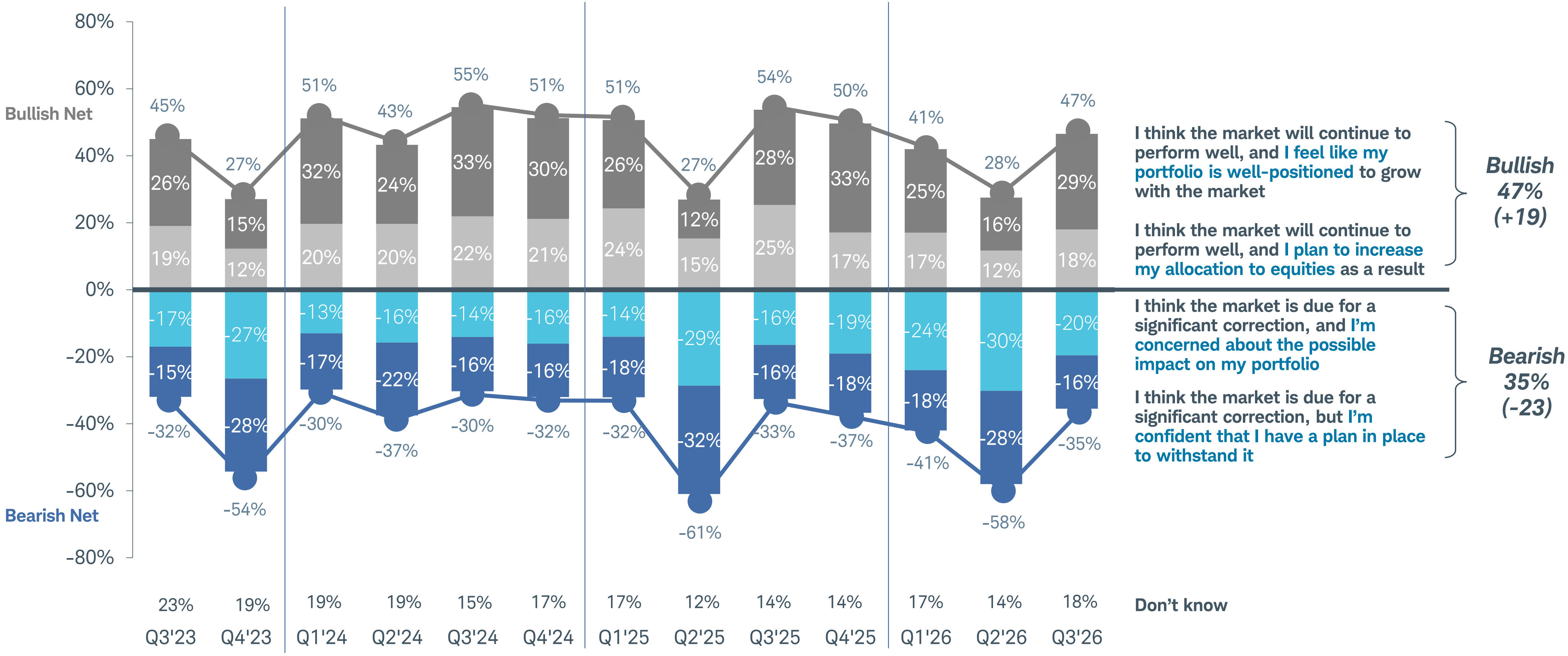
Bullishness has rebounded significantly among all retail clients in Q3.

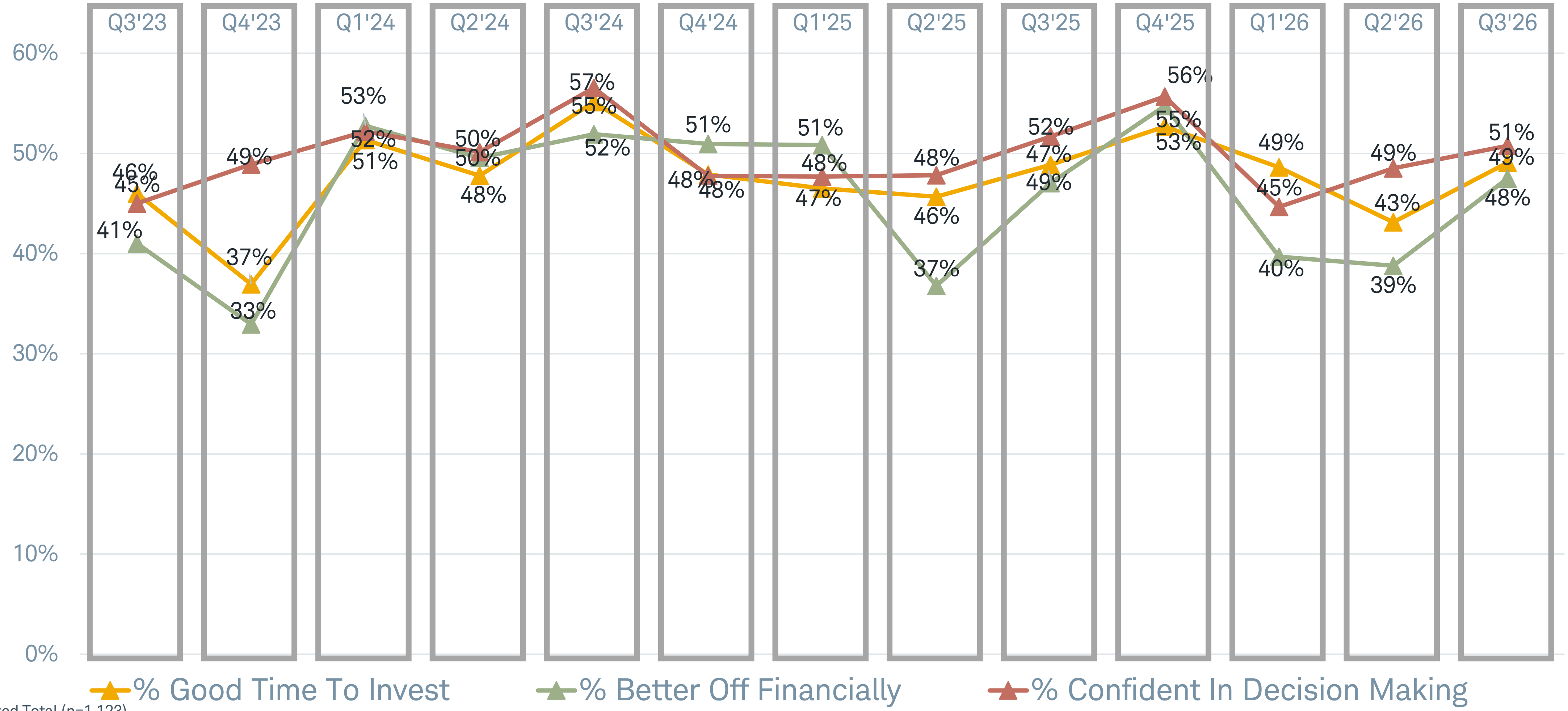
Outlook For U.S. Stock Market
(Single response only; Among Client Sample)



Base = Weighted Total (n=1,123)
Q6. Thinking about the next 3 months, which statement best describes your outlook for the U.S. stock market?

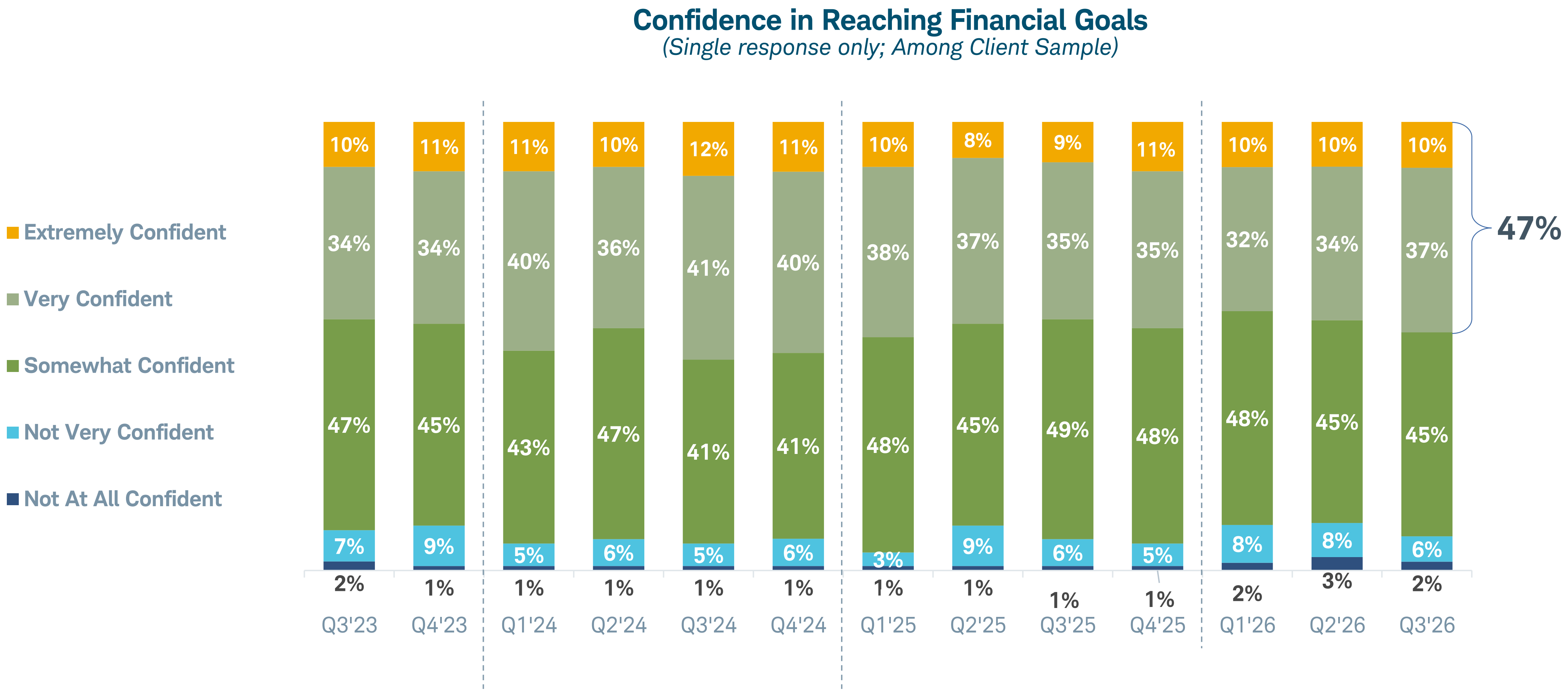
In addition to market sentiment, all client confidence measures are up QoQ.

Client Confidence Trends
(Among Client Sample)



Base = Weighted Total (n=1,123)
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?

Nearly half (47%) of retail clients are very or extremely confident in reaching their financial goals in Q3.



Base = Weighted Total (n=1,123)
Q10. Which statement best describes your confidence in reaching your financial goals?

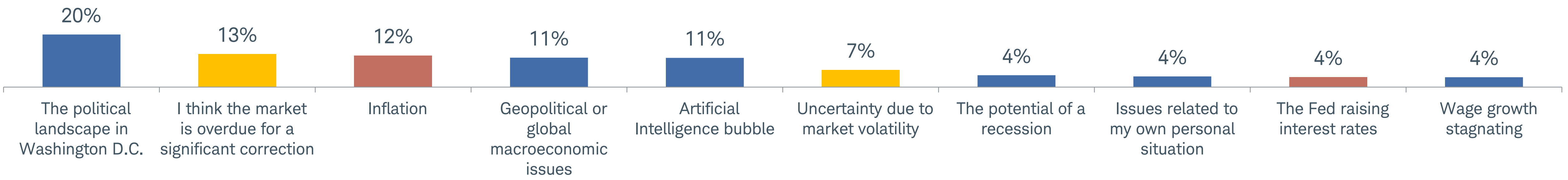
The political landscape in Washington is retail clients' primary investing concern in Q3.

Primary Concern About Investing

(Single response only; Among Client Sample)

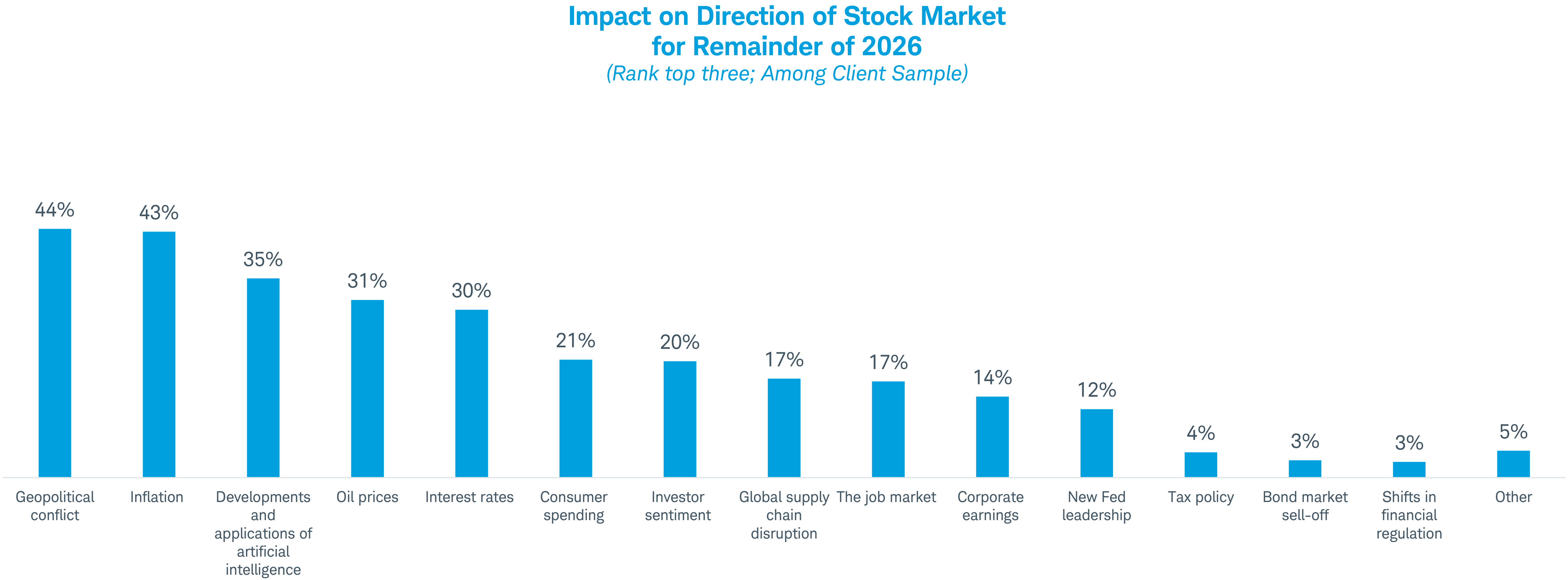
19% Correction / Market Volatility

Note: Percentages based among those with a concern



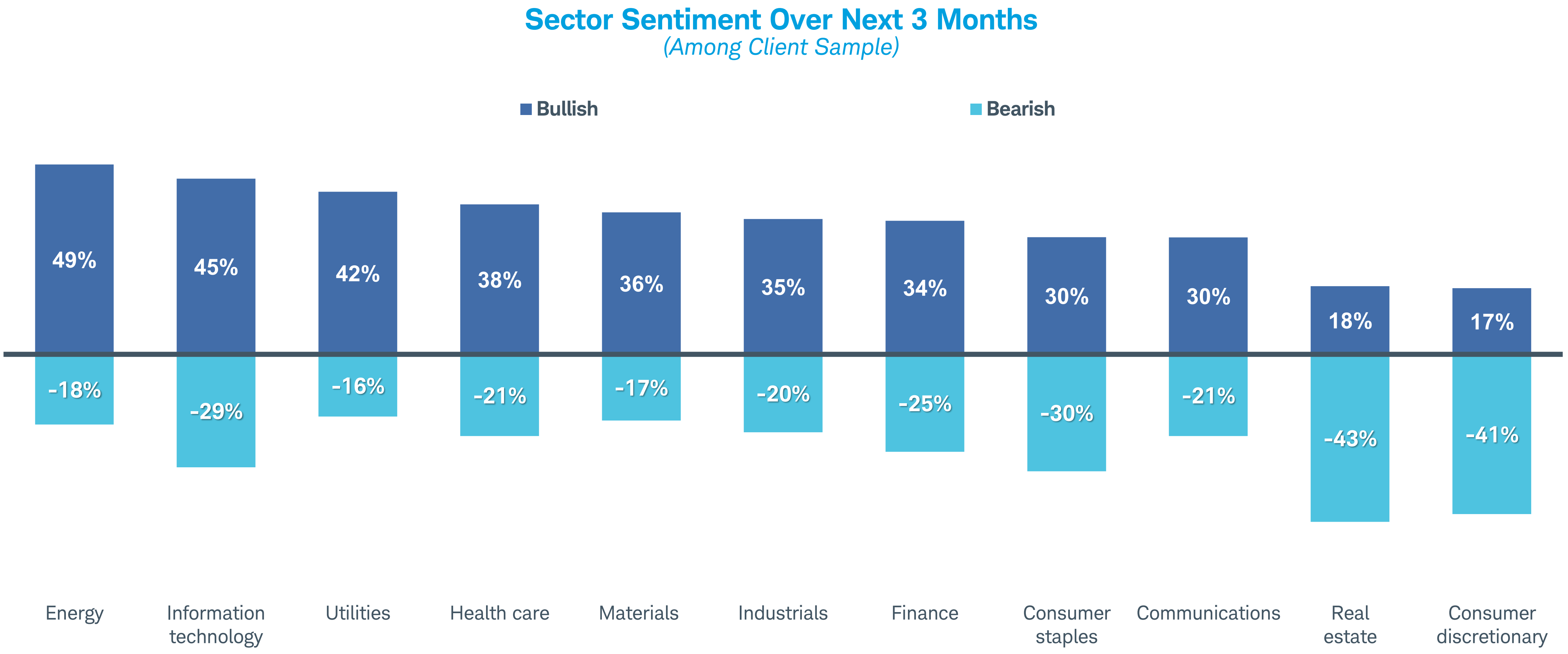
Base = Weighted Total (n=1,123)
Q7. What is your primary concern around money and investing within the next 3 months?

Retail clients expect geopolitical conflict to have the biggest impact on the direction of the stock market in the remainder of 2026.



Base = Weighted Total (n=1,123)
QSI_Q326_4. Which of the following do you expect will have the biggest impact on the direction of the U.S. stock market for the remainder of 2026?

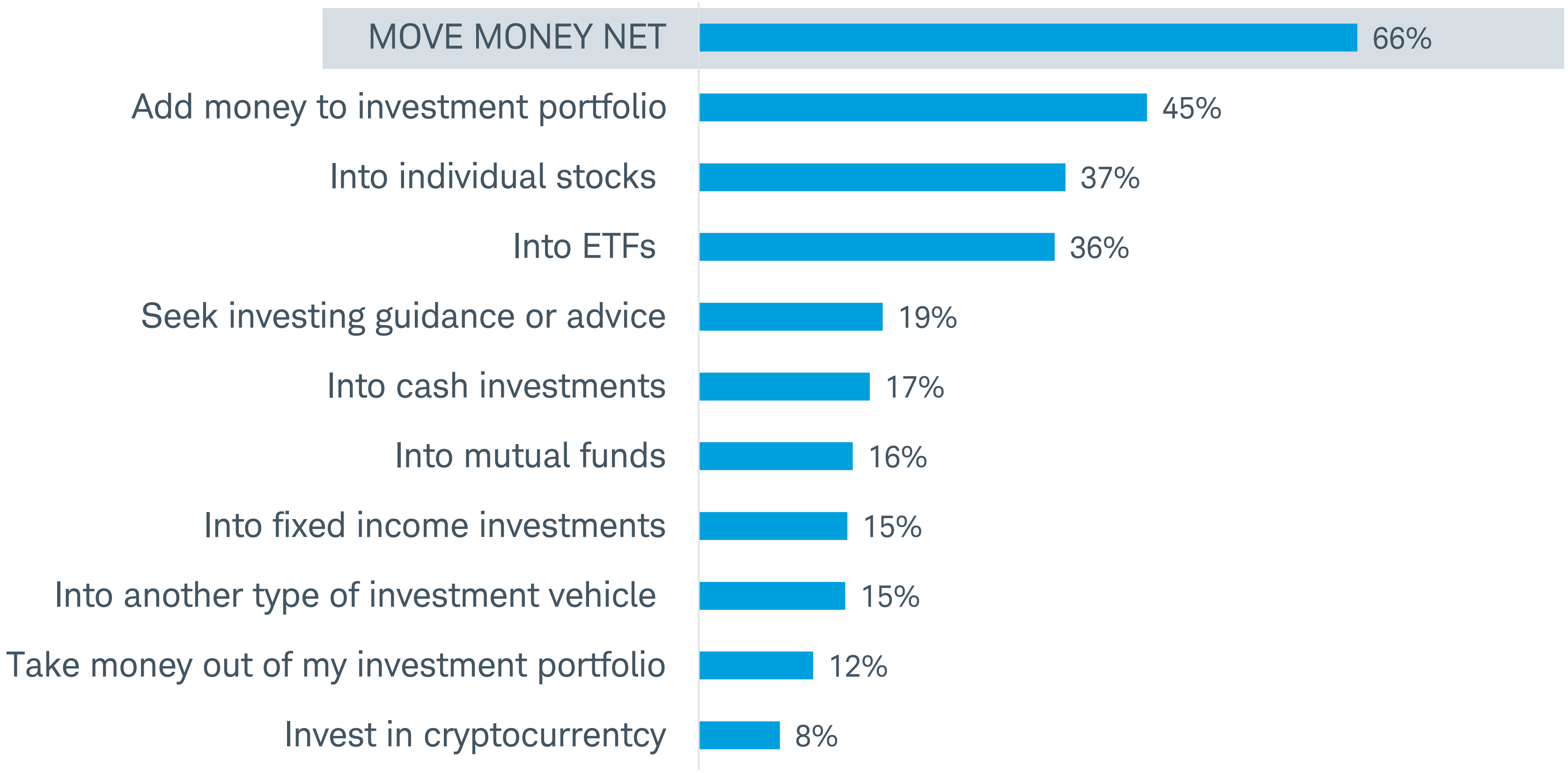
Retail clients are most bullish on the Energy and Information Technology sectors, while they are least bullish on Real Estate and Consumer Discretionary.



Base = Weighted Total (n=1,123)
Q23A. In your opinion, which term best describes the U.S. stock market for each of the following sectors over the next three months?

Nearly half (45%) of clients intend to add money to their investment portfolio in Q3.

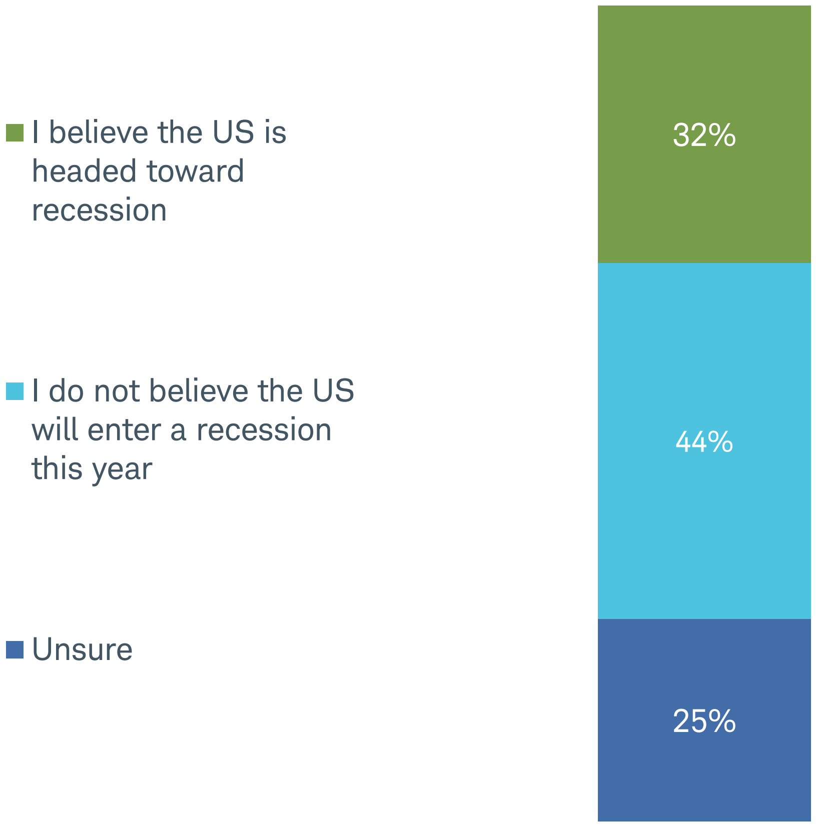
Portfolio Changes Planned in Next 3 Months
(Multiple responses allowed; Among Client Sample)



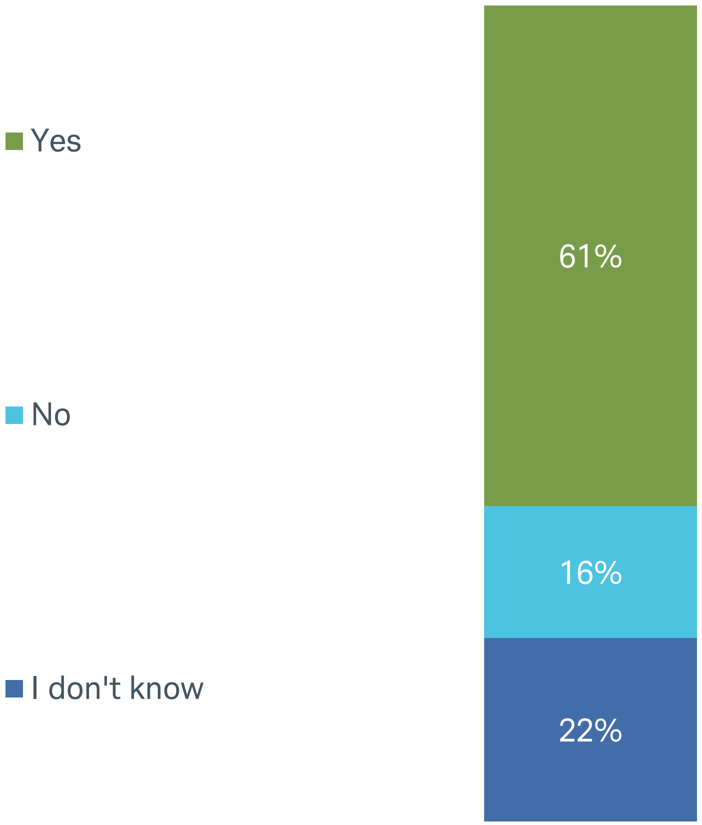
Base = Weighted Total (n=1,123)
Q20. Which of the following actions, if any, do you plan to do over the next 3 months?

About one third (32%) of retail clients believe the U.S. is headed toward recession and nearly two thirds (61%) view the stock market as overvalued.

Outlook on Recession for 2026
(Single response only; Among Client Sample)



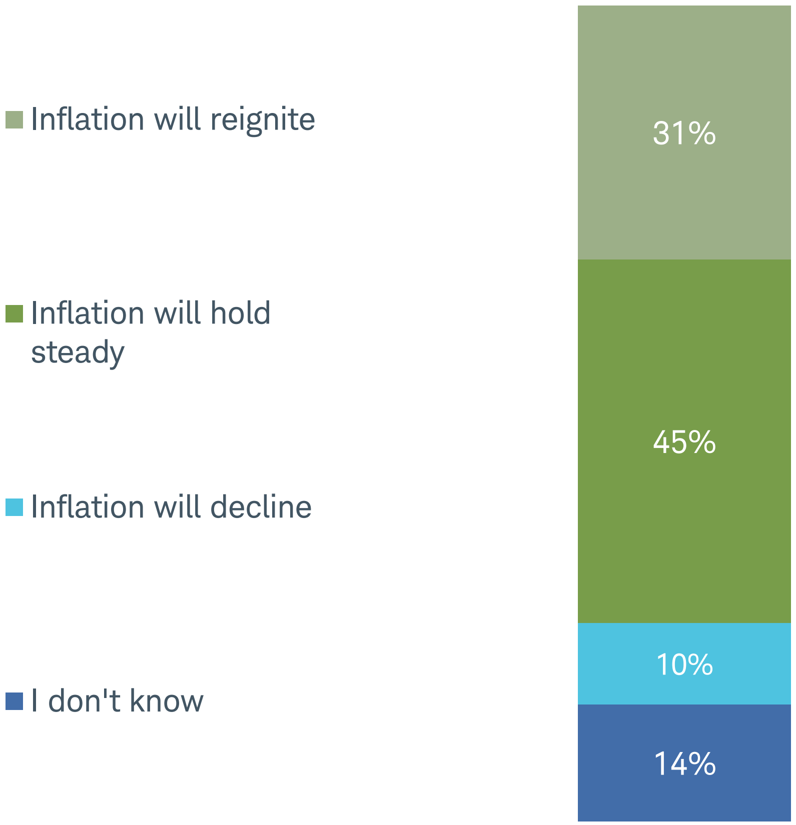
Overvalued Stock Market
(Single response only; Among Client Sample)



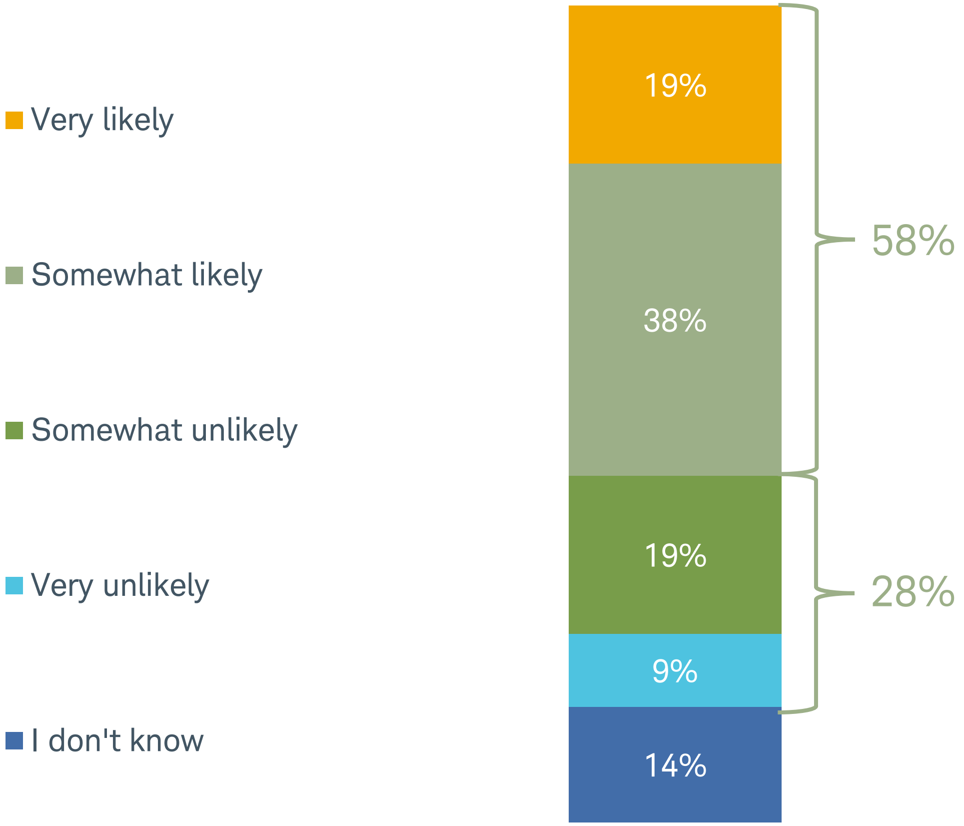
Base = Weighted Total (n=1,123)
QSI_Q326_2. What is your outlook on a recession for 2026?
QSI_Q326_3. In your opinion, is the stock market currently overvalued?

Nearly one third (31%) of retail clients expect inflation will reignite while 58% see stagflation as likely over the next 12-18 months.

Expectations for Inflation in Q3
(Single response only; Among Client Sample)

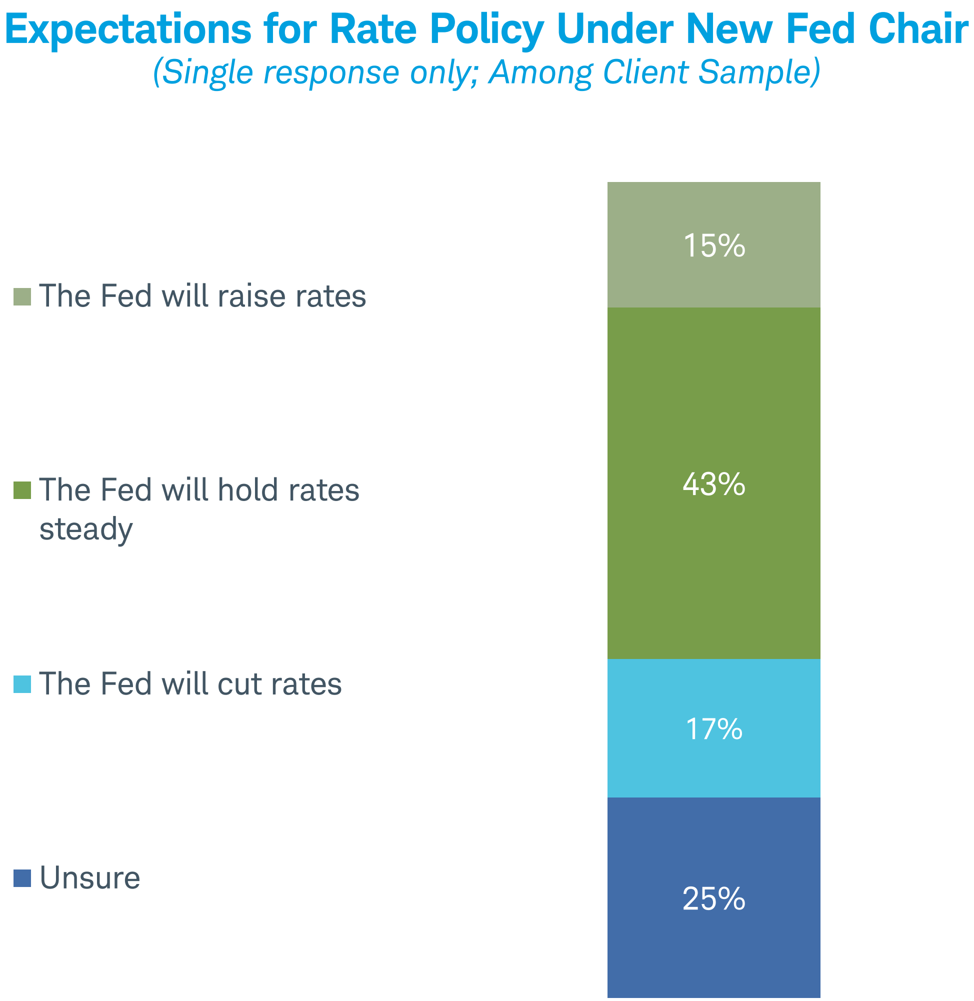


Expected Likelihood of "Stagflation"
(Single response only; Among Client Sample)



Base = Weighted Total (n=1,123)
QSI_Q326_1. What are your expectations for inflation in the third quarter of 2026?
QSI_Q326_7. How likely is it that the U.S. will see "stagflation" (high inflation, stagnant economic growth, and elevated unemployment) in the next 12-18 months?

Few clients (17%) expect rate cuts from the U.S. Federal Reserve in the second half of the year.



Base = Weighted Total (n=1,123)
QSI_Q326_5. What is your expectation for rate policy in H2 2026 under the new Fed Chair?

Active Trader Clients

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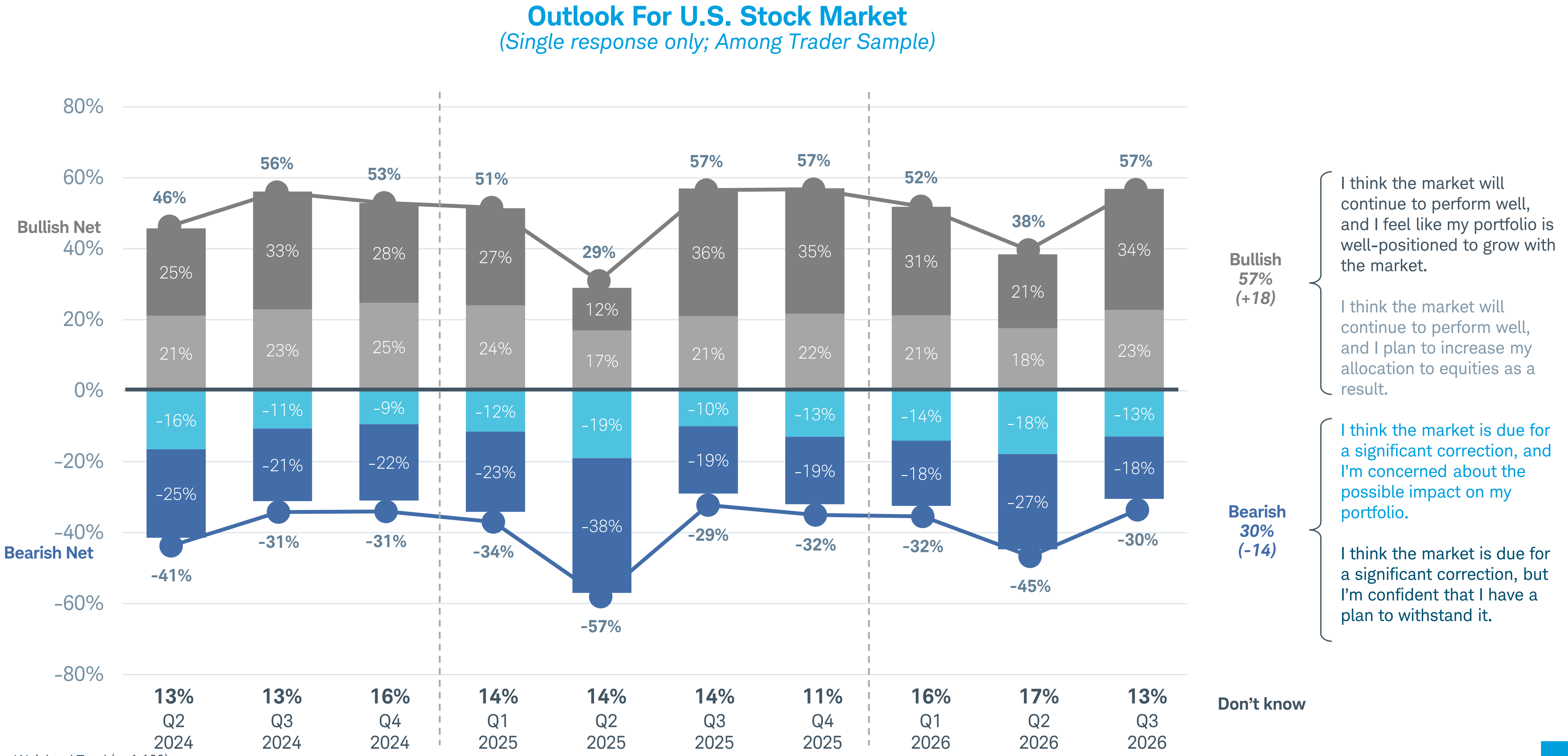
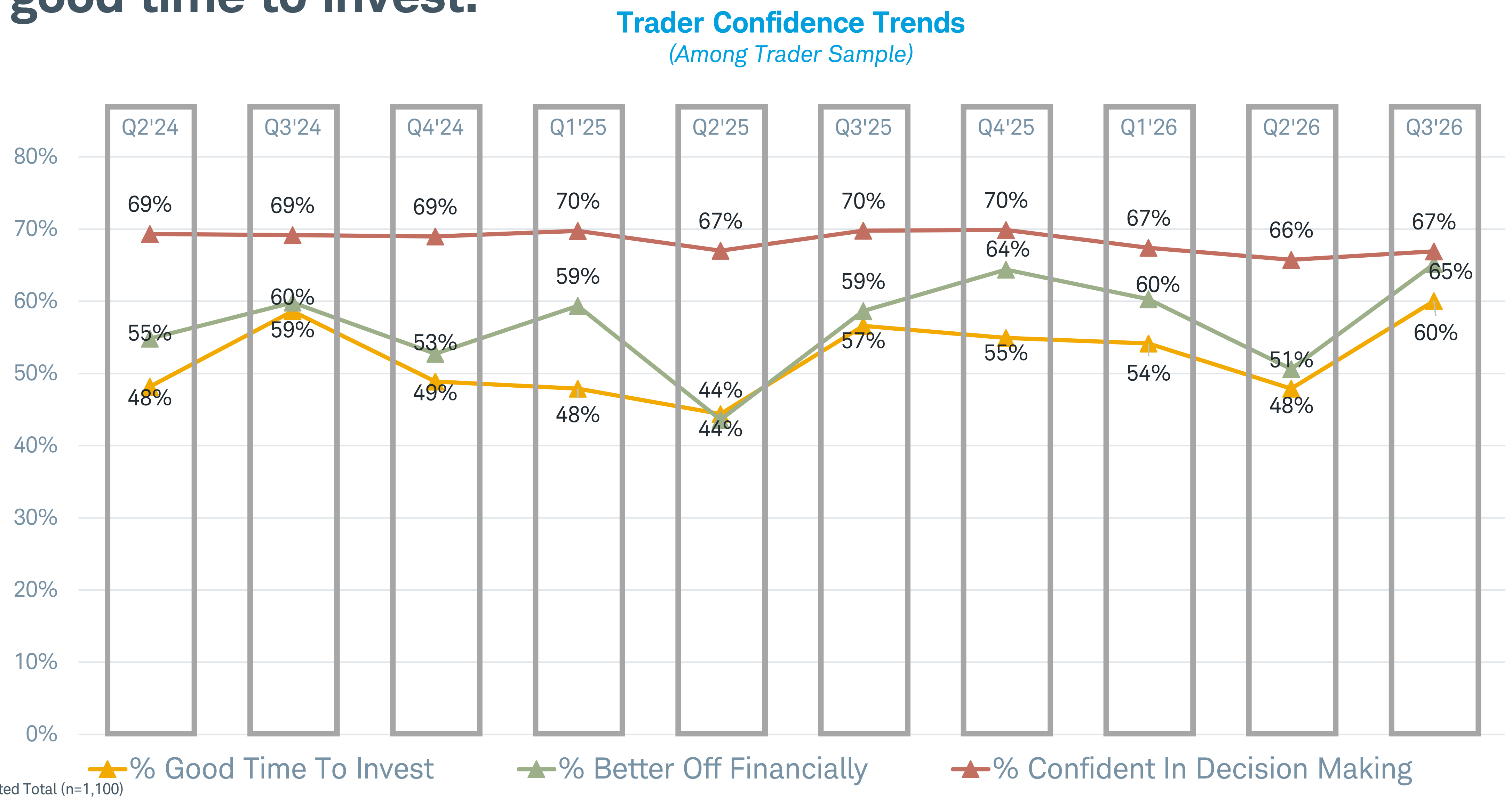
Bullishness is up significantly among traders in Q3.



Base = Weighted Total (n=1,100)
Q6. Thinking about the next 3 months, which statement best describes your outlook for the U.S. stock market?

Traders remain confident in their decision making and 60% see it as a good time to invest.



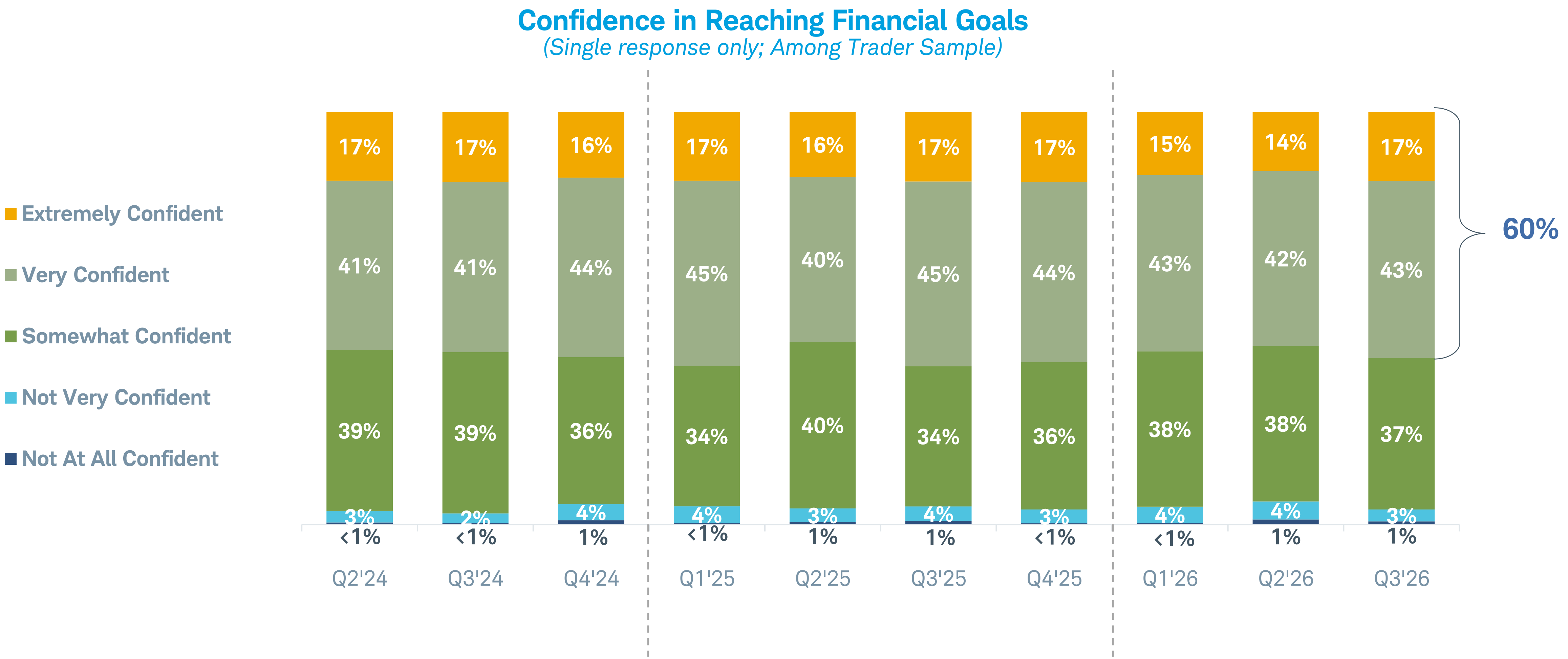
Base = Weighted Total (n=1,100)

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…?

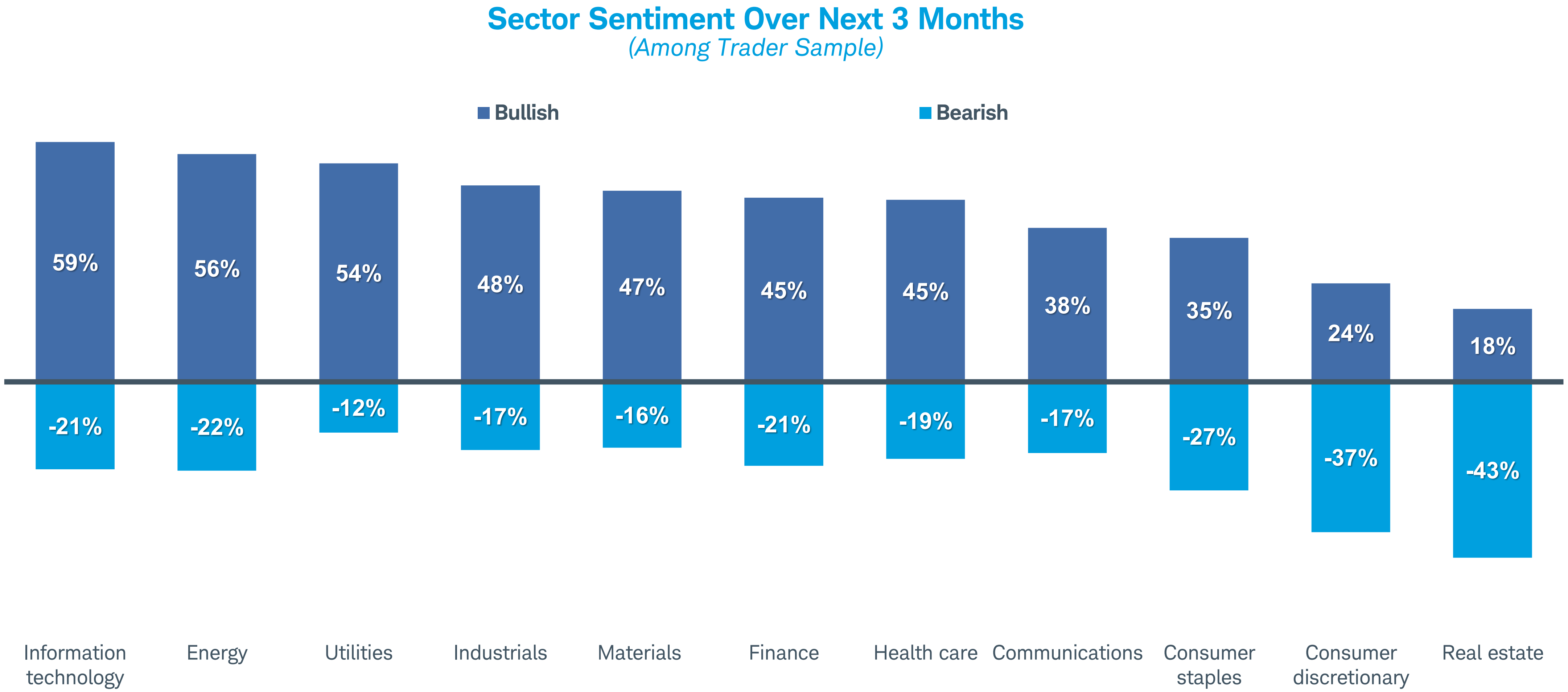
Q4. How confident are you in making investment decisions for your household?

Traders' confidence in reaching their financial goals remains high in Q3.



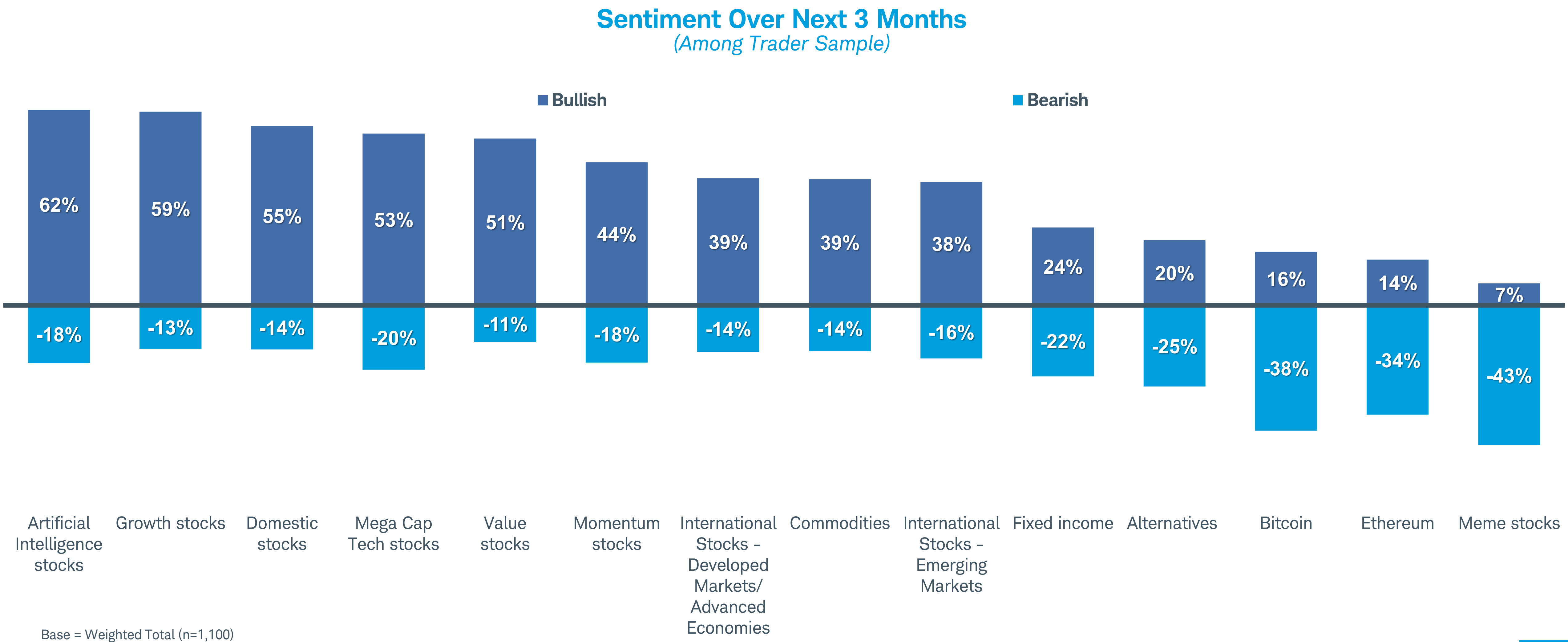
Base = Weighted Total (n=1,100)
Q10. Which statement best describes your confidence in reaching your financial goals?

Traders are most bullish on the Information Technology sector in Q3, followed by Energy and Utilities, while they are most bearish on Real Estate.



Base = Weighted Total (n=1,100)
Q23A. In your opinion, which term best describes the U.S. stock market for each of the following sectors over the next three months?

Nearly two thirds of trader clients (62%) are bullish on AI stocks in Q3.



Base = Weighted Total (n=1,100)
QAT_Q326_3. Are you bullish or bearish on each of the following for the next 3 months?

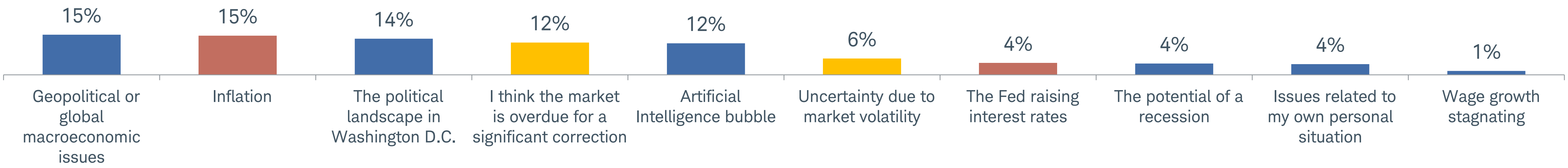
Geopolitical issues and inflation are traders' top investing concerns in Q3.

Primary Concern About Investing

(Single response only; Among Trader Sample)

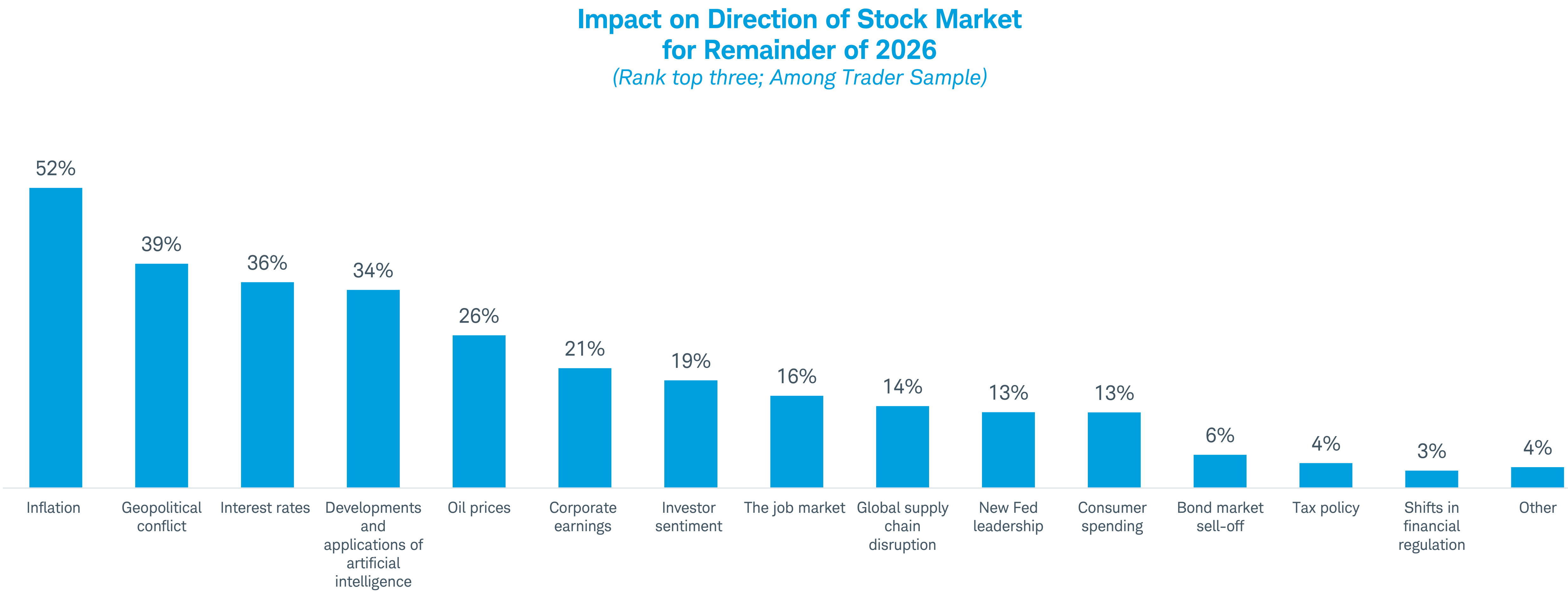
18% Correction / Market Volatility

Note: Percentages based among those with a concern



Base = Weighted Total (n=1,100)
Q7. What is your primary concern around money and investing within the next 3 months?

Currently, Traders expect inflation will have the biggest impact on the stock market for the remainder of the year.

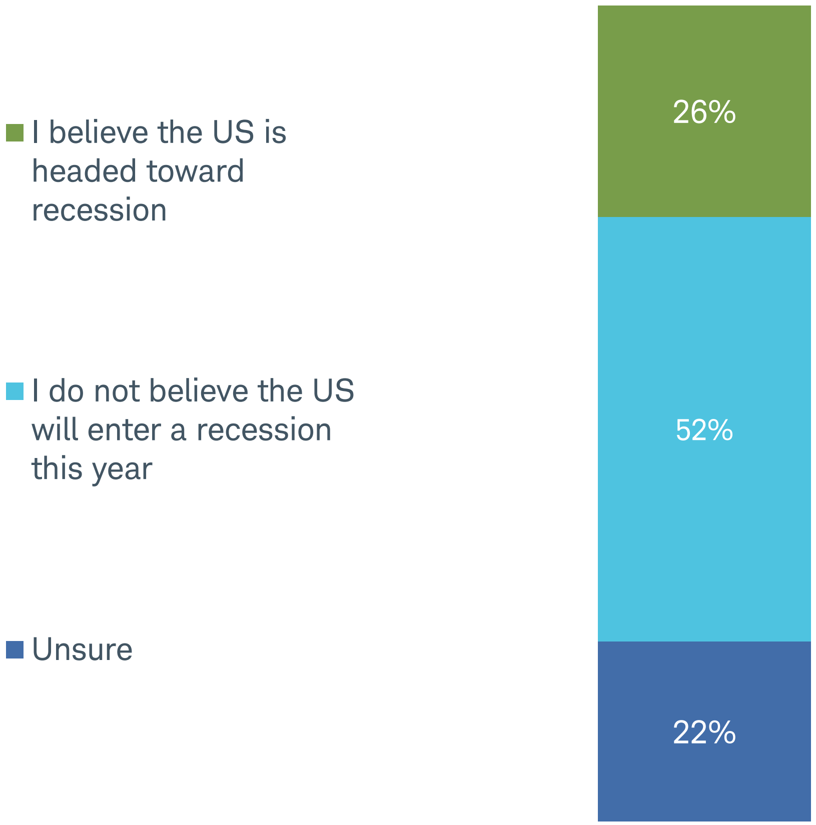


Base = Weighted Total (n=1,100)
QSI_Q326_4. Which of the following do you expect will have the biggest impact on the direction of the U.S. stock market for the remainder of 2026?

Nearly two thirds of traders (62%) feel the stock market is overvalued.

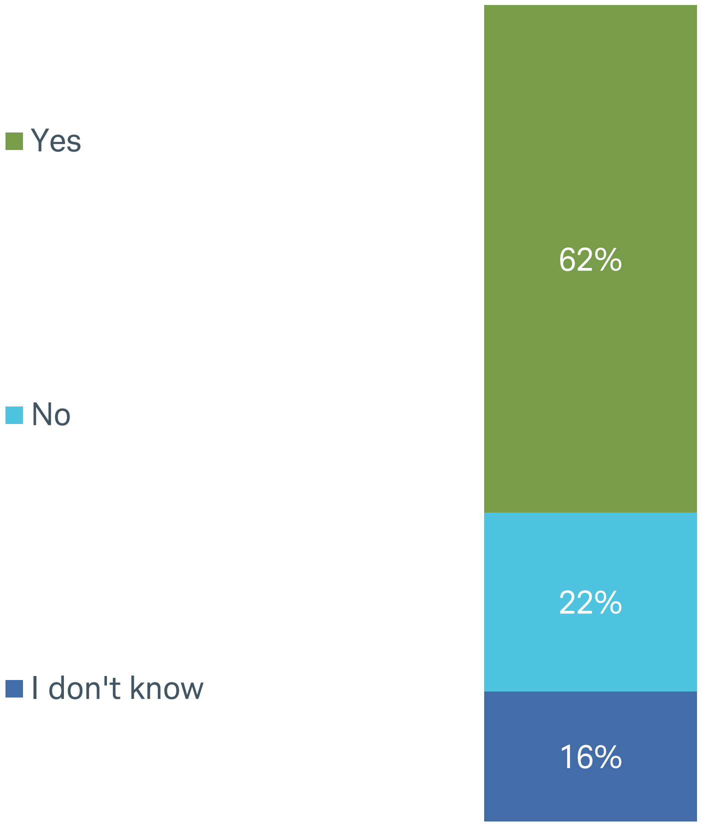
Outlook on Recession for 2026

(Single response only; Among Trader Sample)



Overvalued Stock Market

(Single response only; Among Trader Sample)

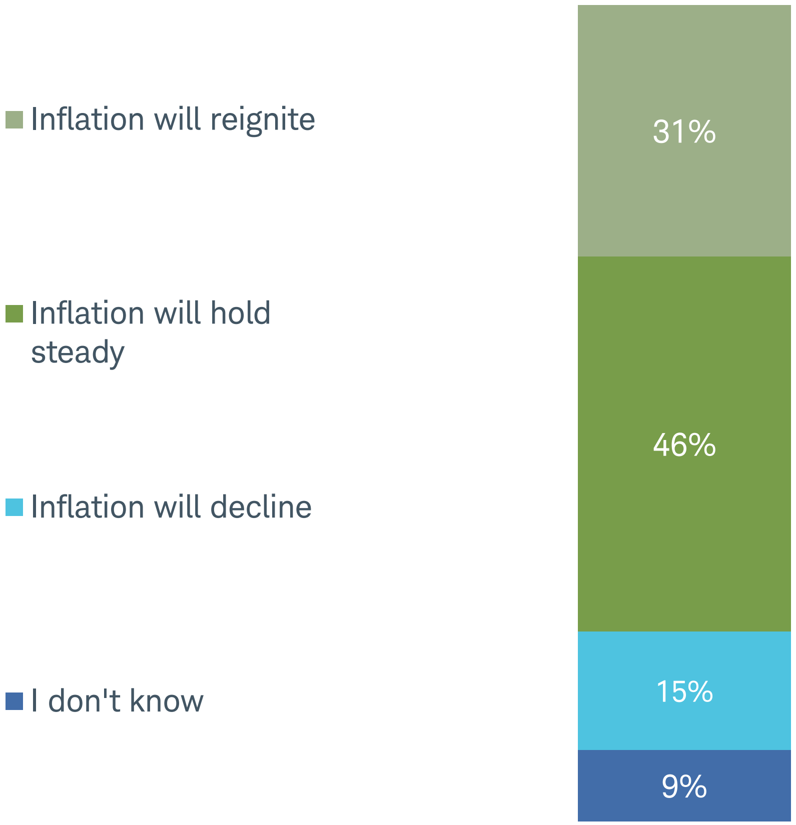


Base = Weighted Total (n=1,100)
QSI_Q326_2. What is your outlook on a recession for 2026?
QSI_Q326_3. In your opinion, is the stock market currently overvalued?

Nearly one third (31%) of traders expect inflation will reignite in Q3 while 55% feel stagflation is likely in the next 12-18 months.

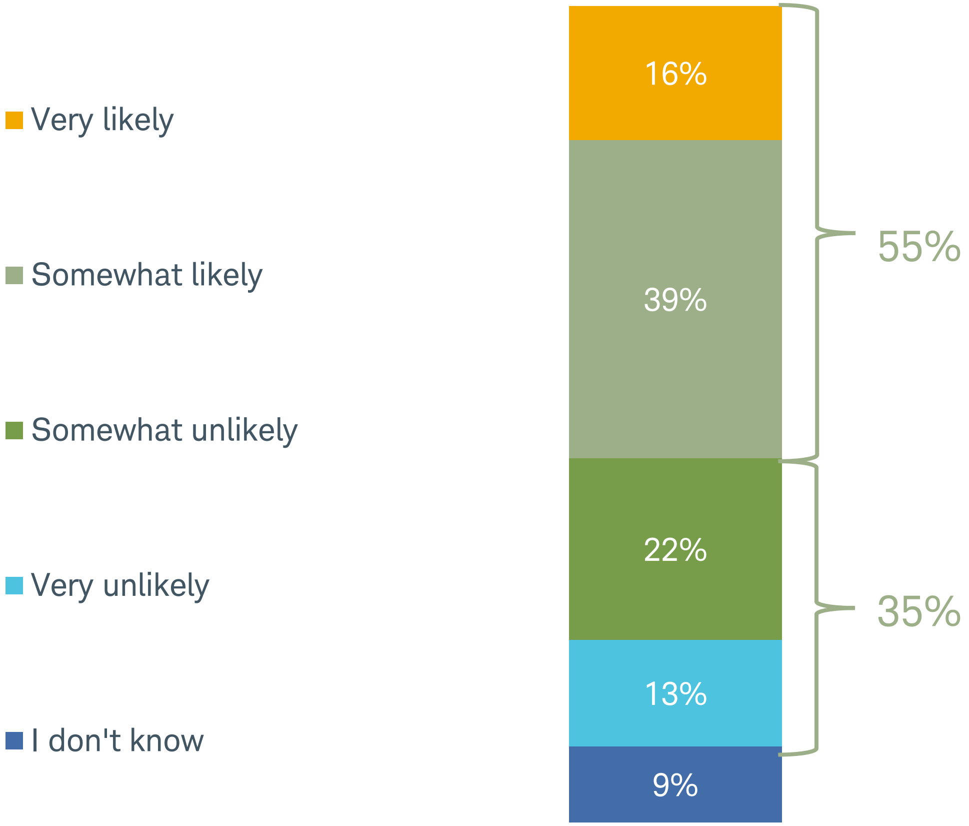
Expectations for Inflation in Q3

(Single response only; Among Trader Sample)



Expected Likelihood of "Stagflation"

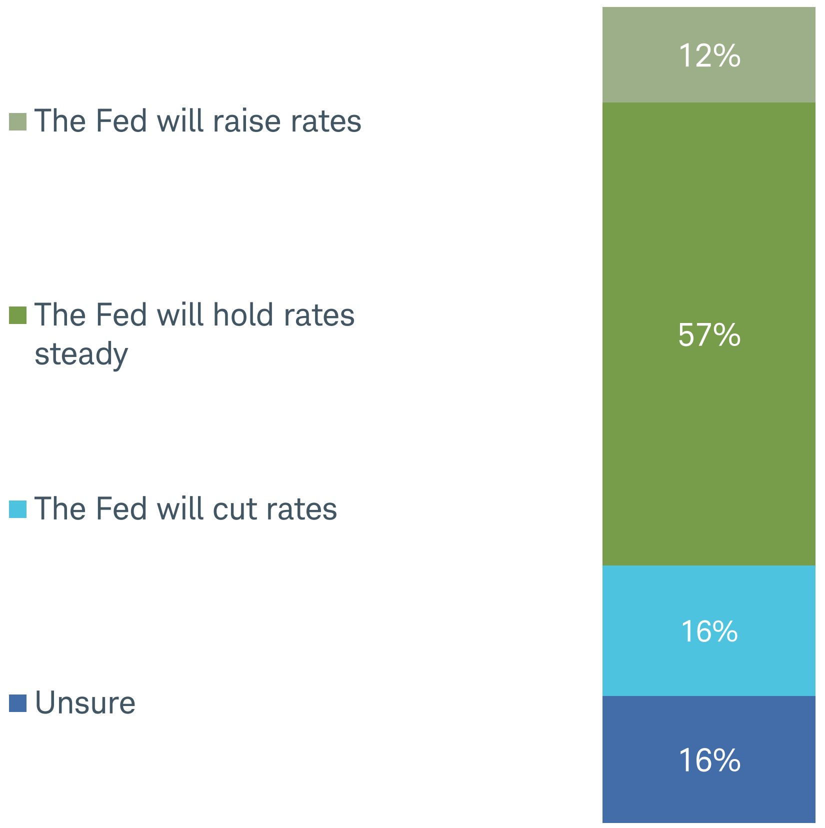
(Single response only; Among Trader Sample)



Base = Weighted Total (n=1,100)
QSI_Q326_1. What are your expectations for inflation in the third quarter of 2026?
QSI_Q326_7. How likely is it that the U.S. will see "stagflation" (high inflation, stagnant economic growth, and elevated unemployment) in the next 12-18 months?

Few traders (16%) anticipate interest rate cuts from the U.S. Federal Reserve for the remainder of 2026.

Expectations for Rate Policy Under New Fed Chair
(Single response only; Among Trader Sample)



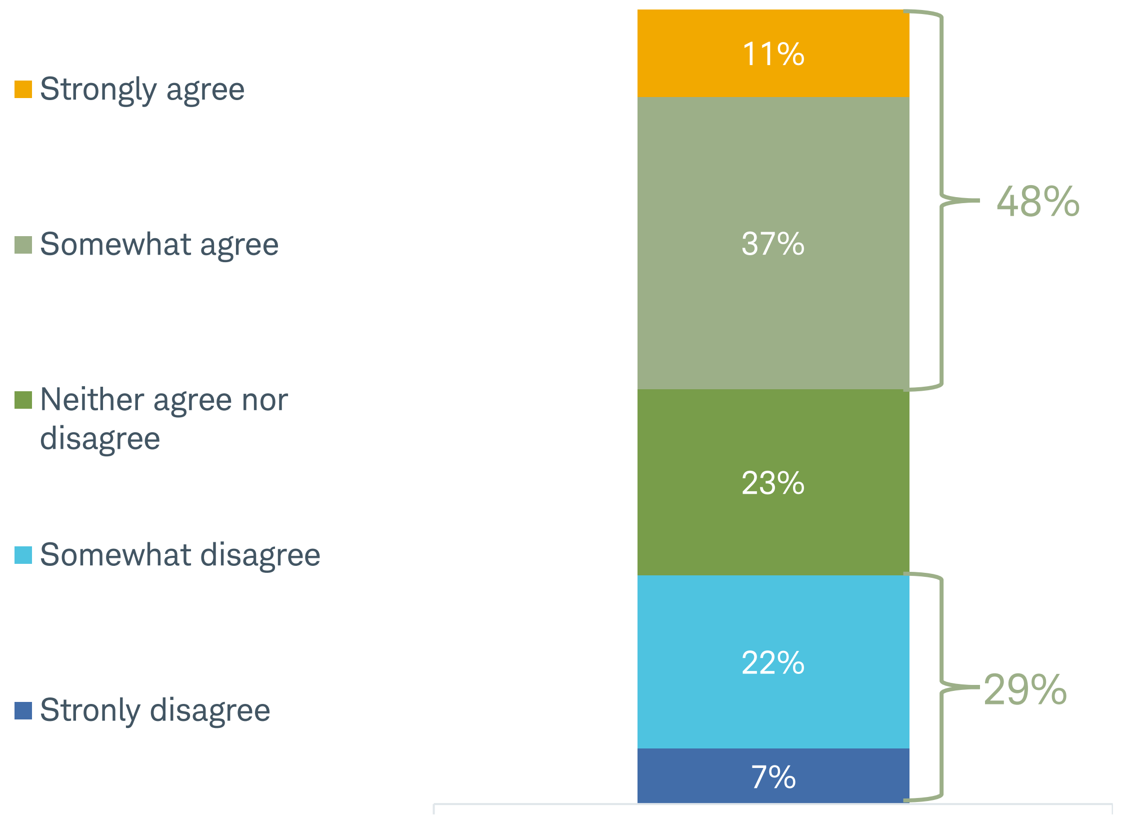
Base = Weighted Total (n=1,100)
QSI_Q326_5. What is your expectation for rate policy in H2 2026 under the new Fed Chair?

Classification: Public

Nearly half of traders feel oil price shocks are priced into the market. They are divided on the labor market outlook for the rest of 2026.

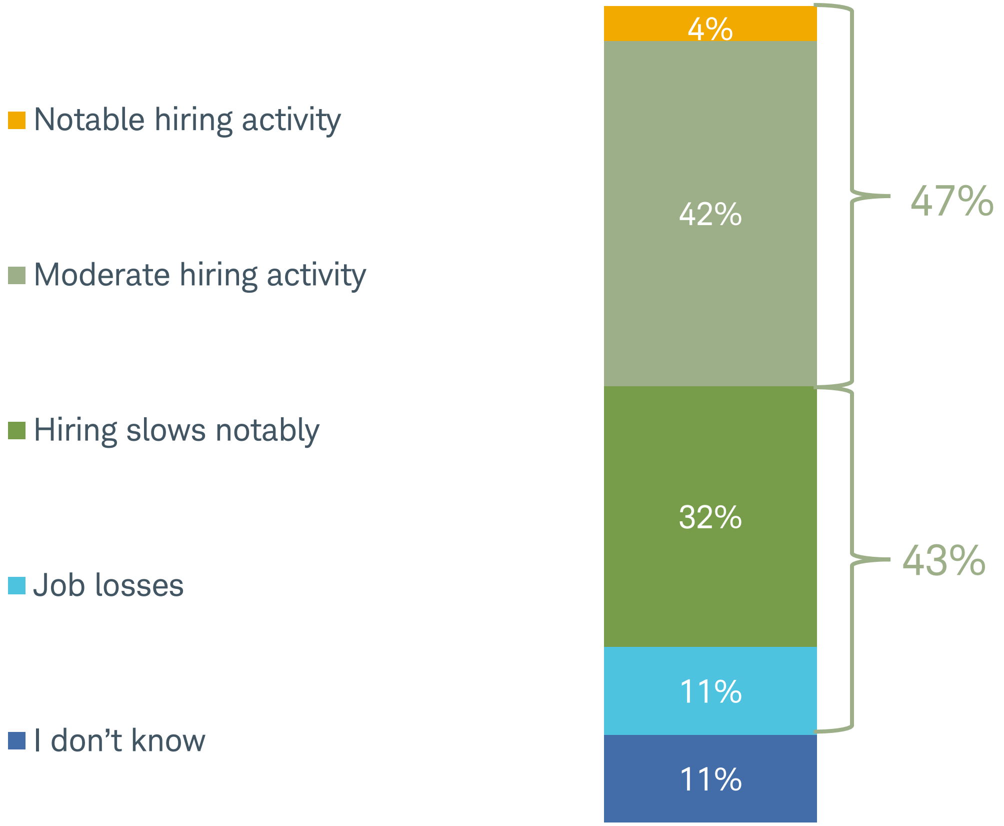
Market Has Priced In Expectations for a Prolonged Oil Shock

(Single response only; Among Trader Sample)



Expectation of Labor Market Performance for H2 2026

(Single response only; Among Trader Sample)

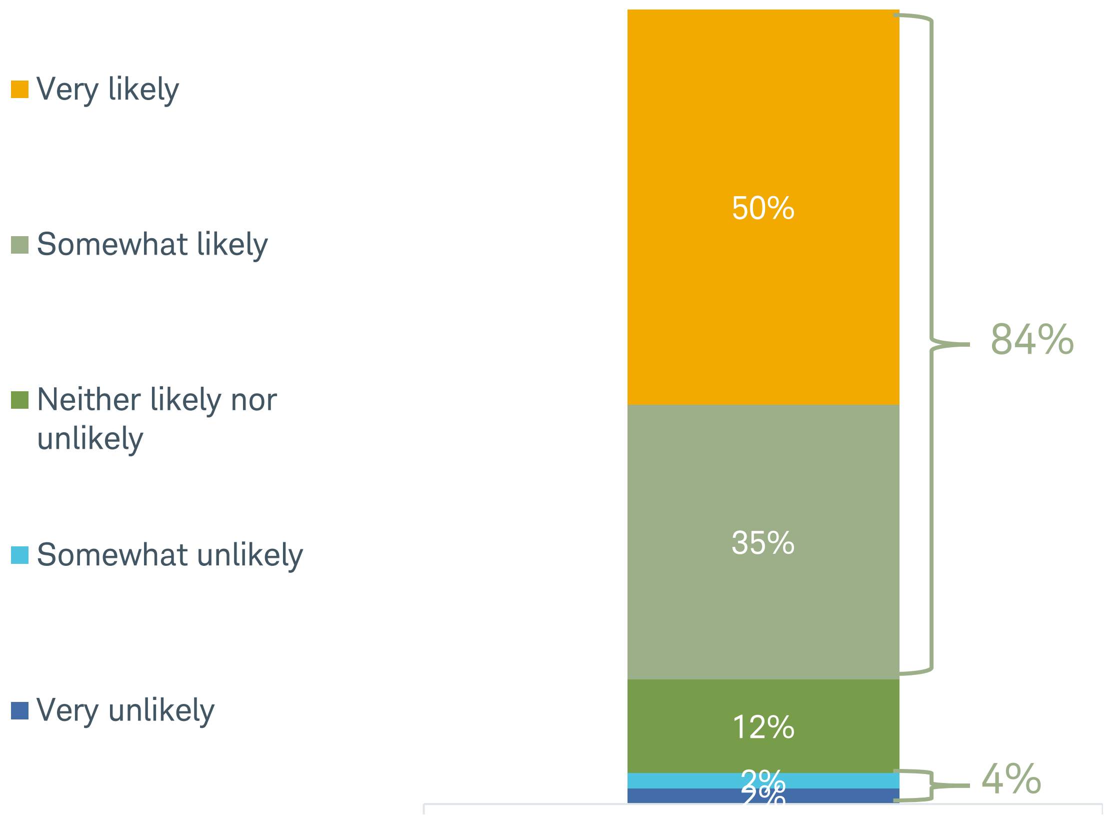


Base = Weighted Total (n=1,100)
QAT_Q326_1. Please indicate whether you agree or disagree with the following statement: The market has priced in expectations for a prolonged oil shock stemming from the conflict in the Middle East.
QAT_Q326_2. How do you expect the U.S. labor market to perform in H2 2026?

Traders are likely to buy the dip in the event of a market decline while more than 40% are comfortable with risk.

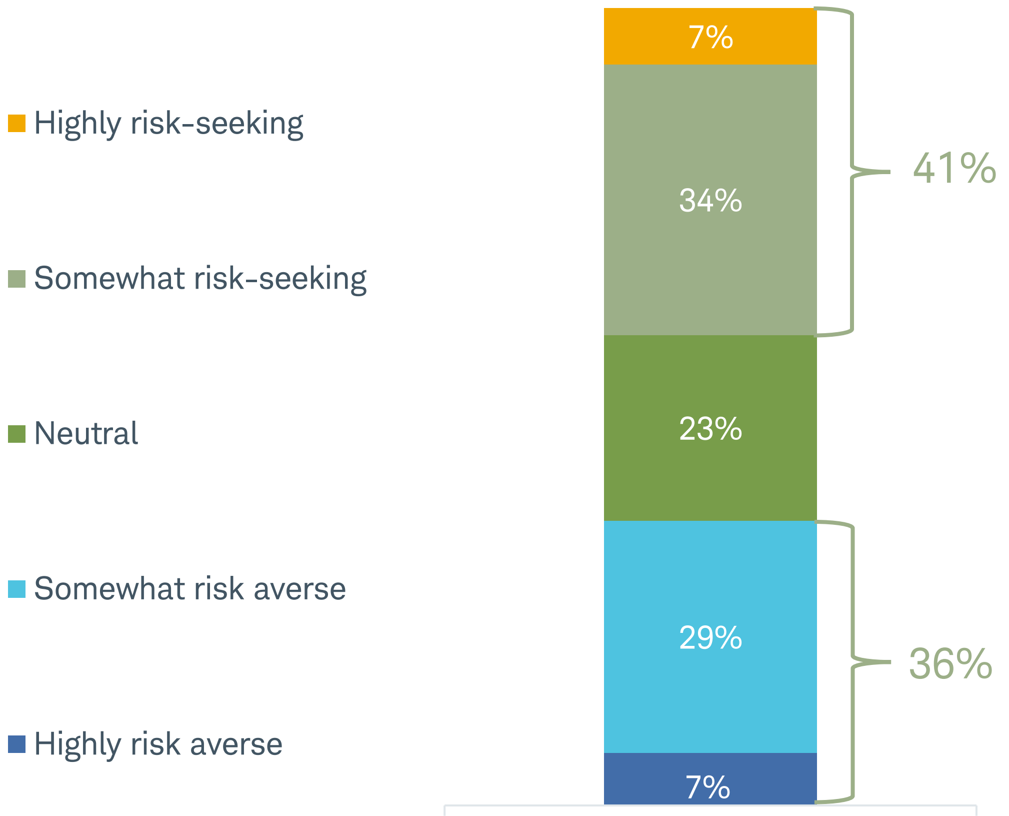
Likelihood to "Buy the Dip" in the Next 3 Months

(Single response only; Among Trader Sample)



Risk Appetite Descriptor in the Next 3 Months

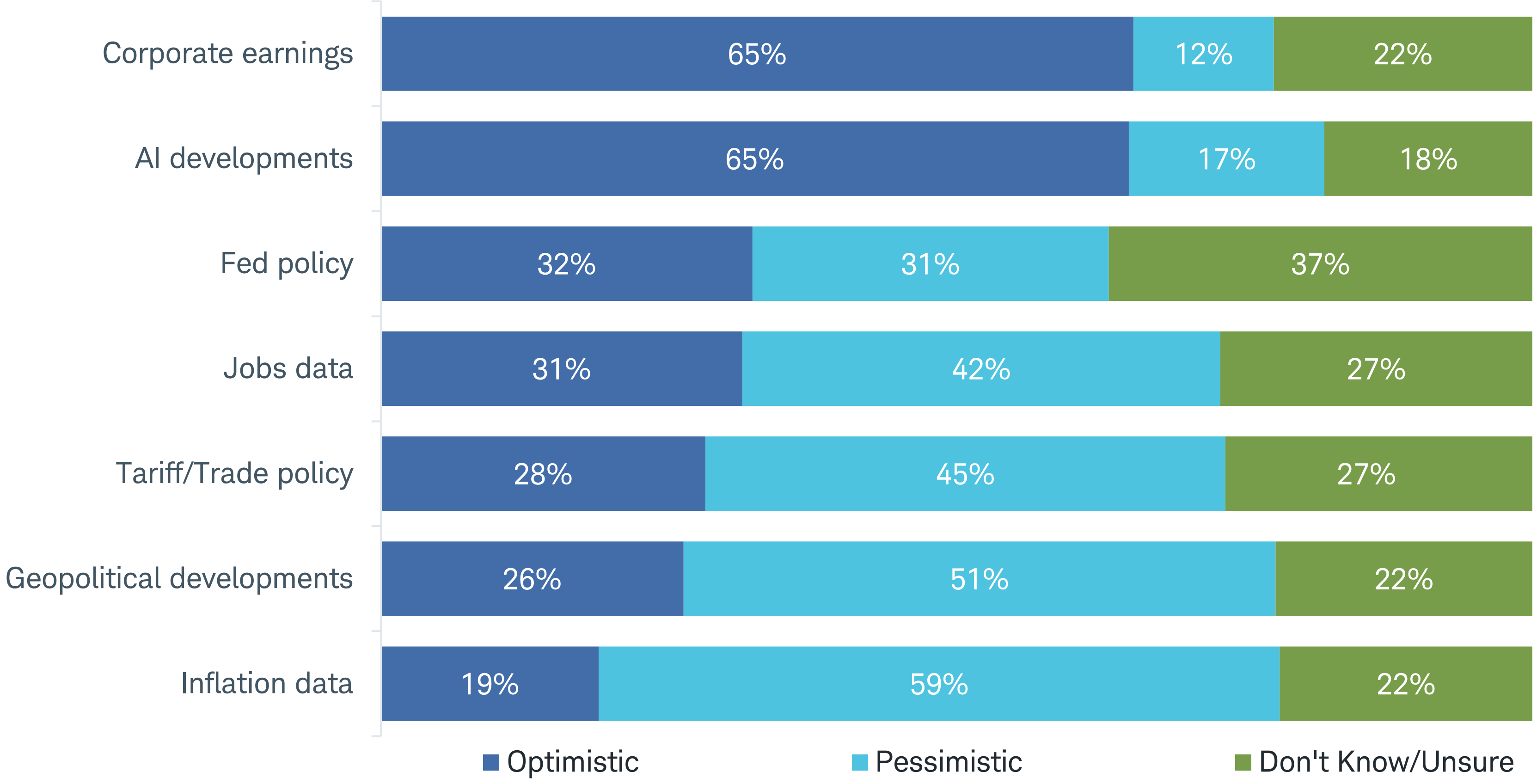
(Single response only; Among Trader Sample)



Base = Weighted Total (n=1,100)
QAT_Q326_5. How likely are you to "buy the dip" if there are notable market declines in the next 3 months?
QAT_Q326_4. Which of the following best describes your risk appetite for the next 3 months?

Traders are largely optimistic around corporate earnings and AI developments in Q3, while more than half are pessimistic on geopolitics and inflation.

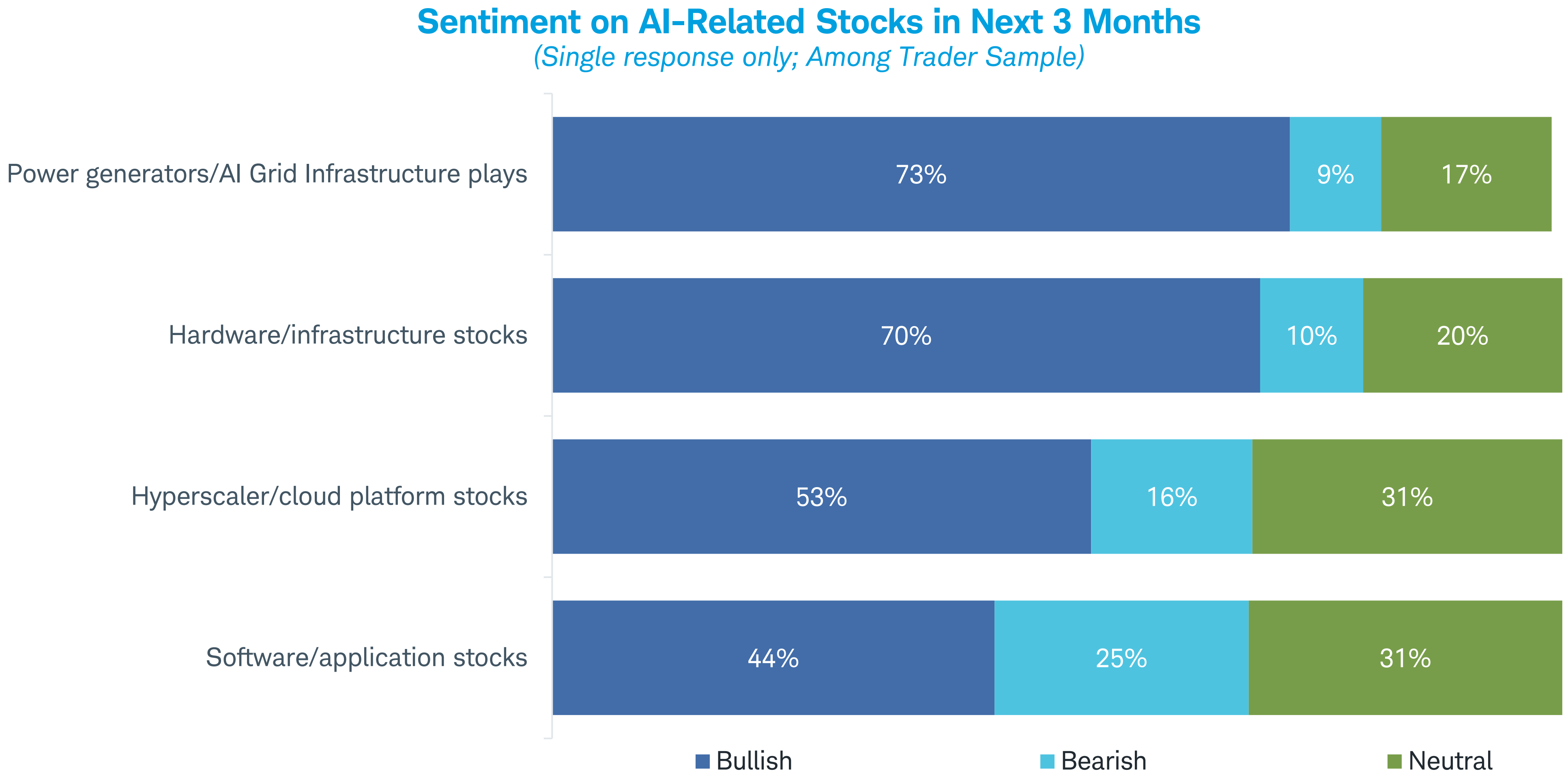
Optimism/Pessimism Regarding Market Influencers in the Next 3 Months
(Single response only; Among Trader Sample)



Base = Weighted Total (n=1,100)
QAT_Q326_6. Are you feeling optimistic or pessimistic about each the following over the next three months.

Classification: Public

Among AI-related stocks, traders are most bullish on power generators and AI grid infrastructure plays, as well as hardware and infrastructure stocks.



Base = Weighted Total (n=1,100)
QAT_Q326_7. Are you bullish or bearish on each of the following AI-related stock categories over the next 3 months?

Classification: Public

Gen Z Clients

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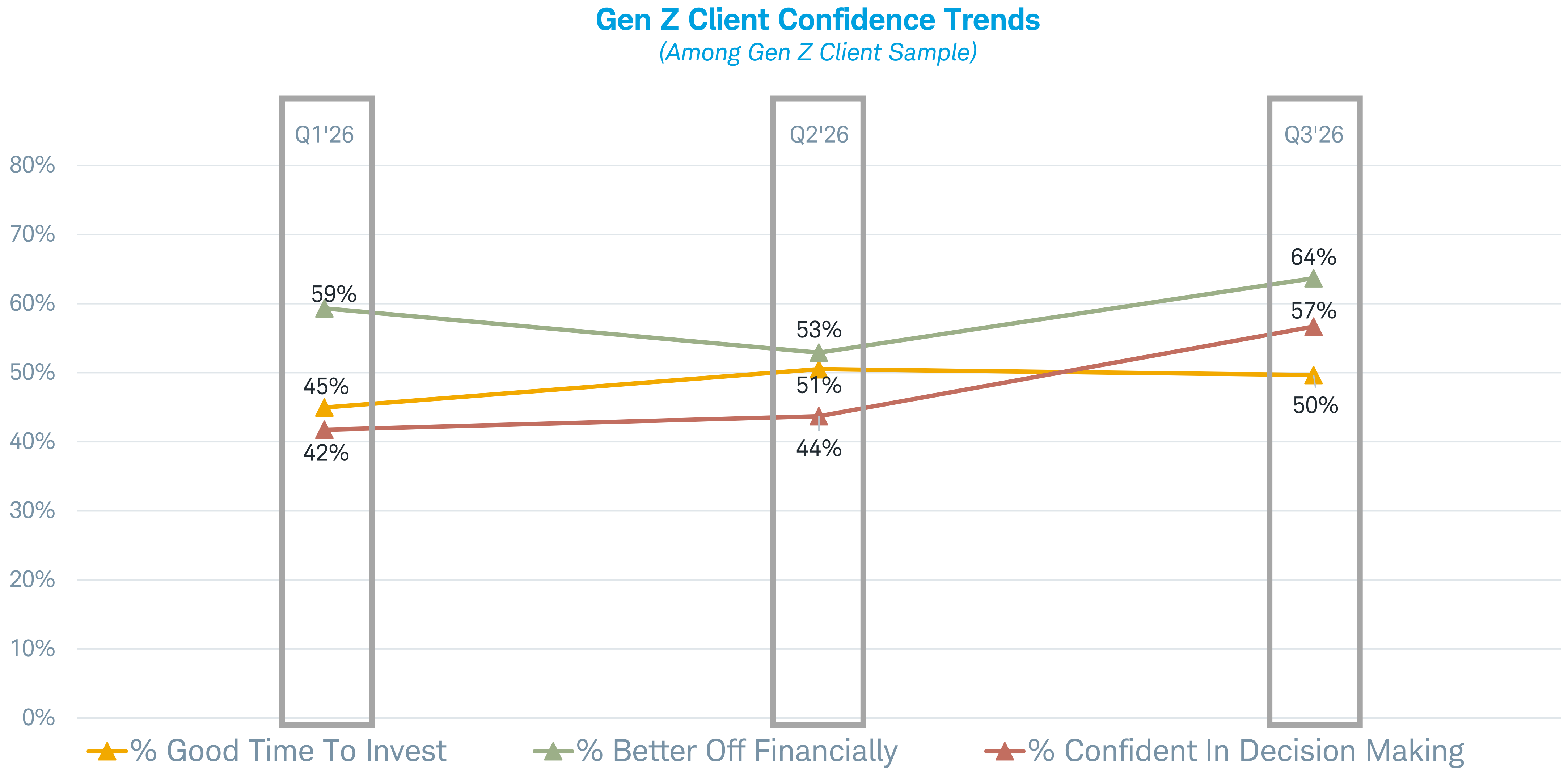
Gen Z Clients are feeling better off financially and are more confident in their decision making in Q3 compared to Q2

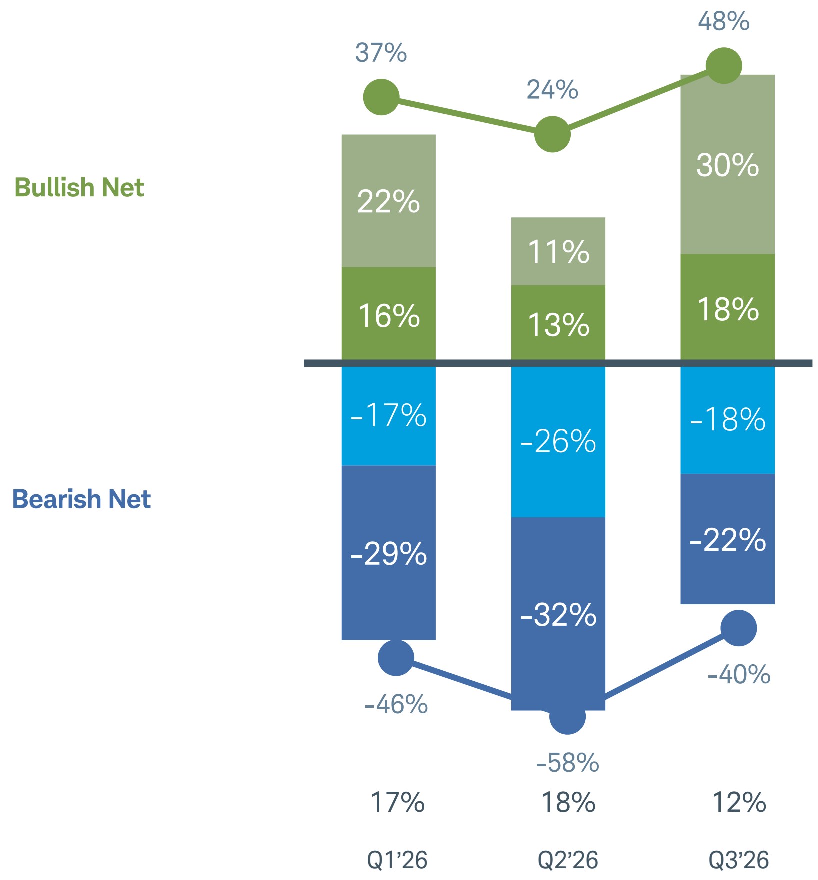


Base = Weighted Total (n=457)
Q1. In your opinion, is this a good time or bad time to invest in stocks, mutual funds and other equity-based investments?
Q3. In terms of how you are getting along financially, compared to a year ago, are you…?
Q4. How confident are you in making investment decisions for your household?

Gen Z client bullishness has increased significantly since Q2.

Outlook For U.S. Stock Market

(Single response only; Among Gen Z Client 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

Bullish 48% (+14)

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

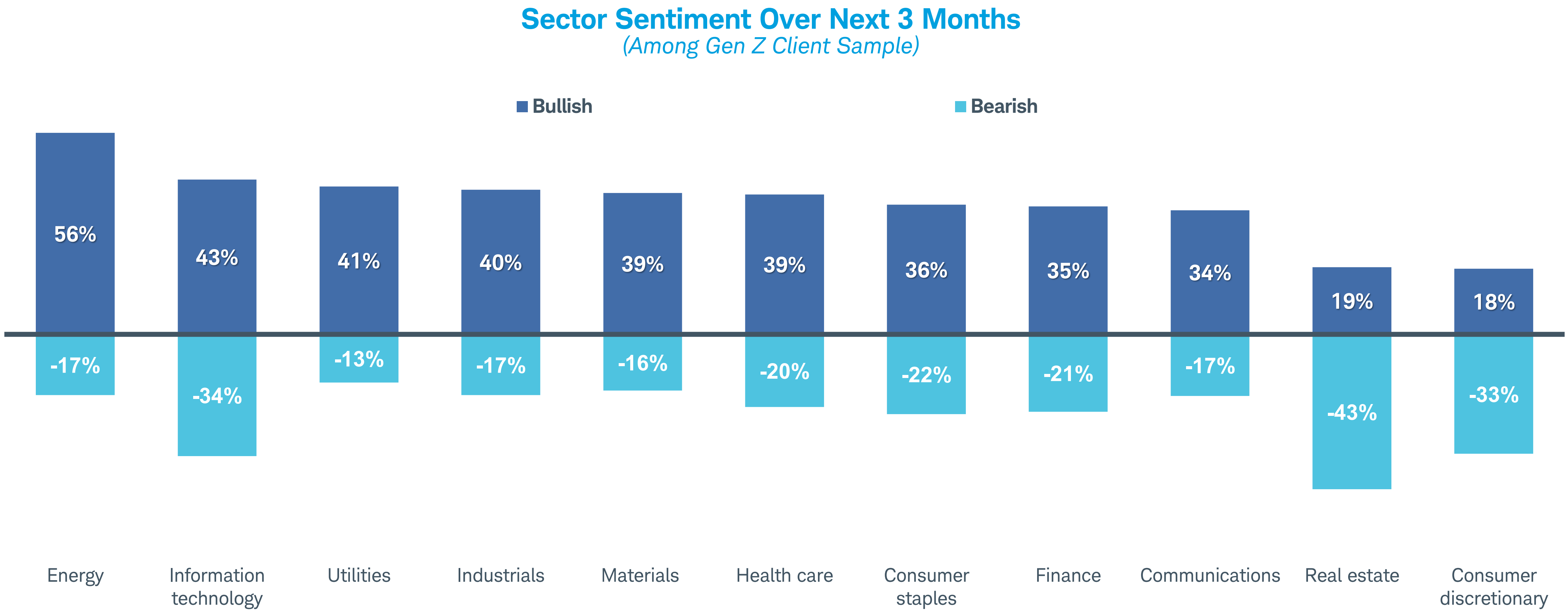
I think the market is due for a significant correction, but **I'm confident that I have a plan in place to withstand it**

Bearish 40% (-18)

Don't know

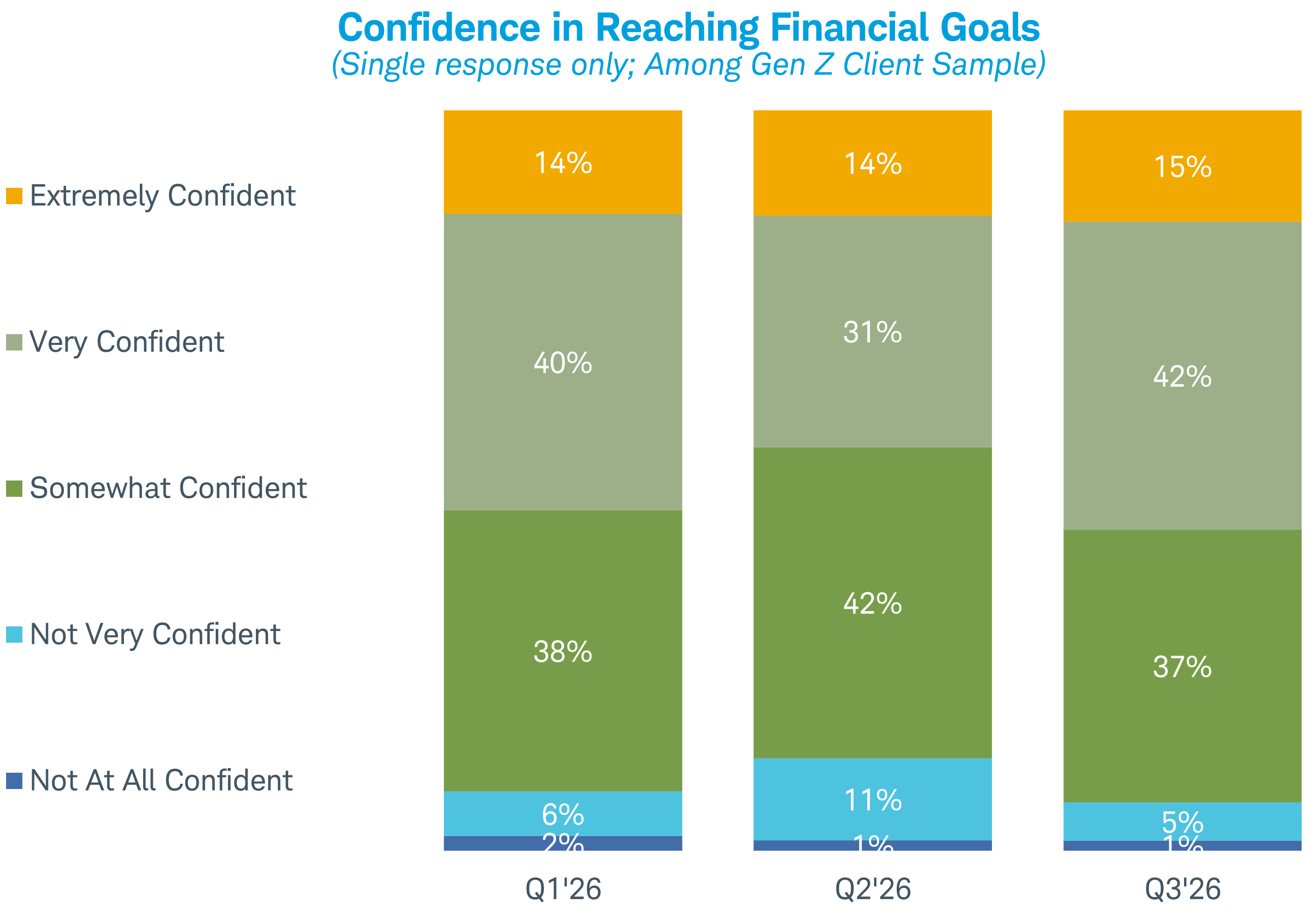
Base = Weighted Total (n=457)
Q6. Thinking about the next 3 months, which statement best describes your outlook for the U.S. stock market?

Gen Z clients are most bullish on the Energy sector and most bearish on Real Estate.



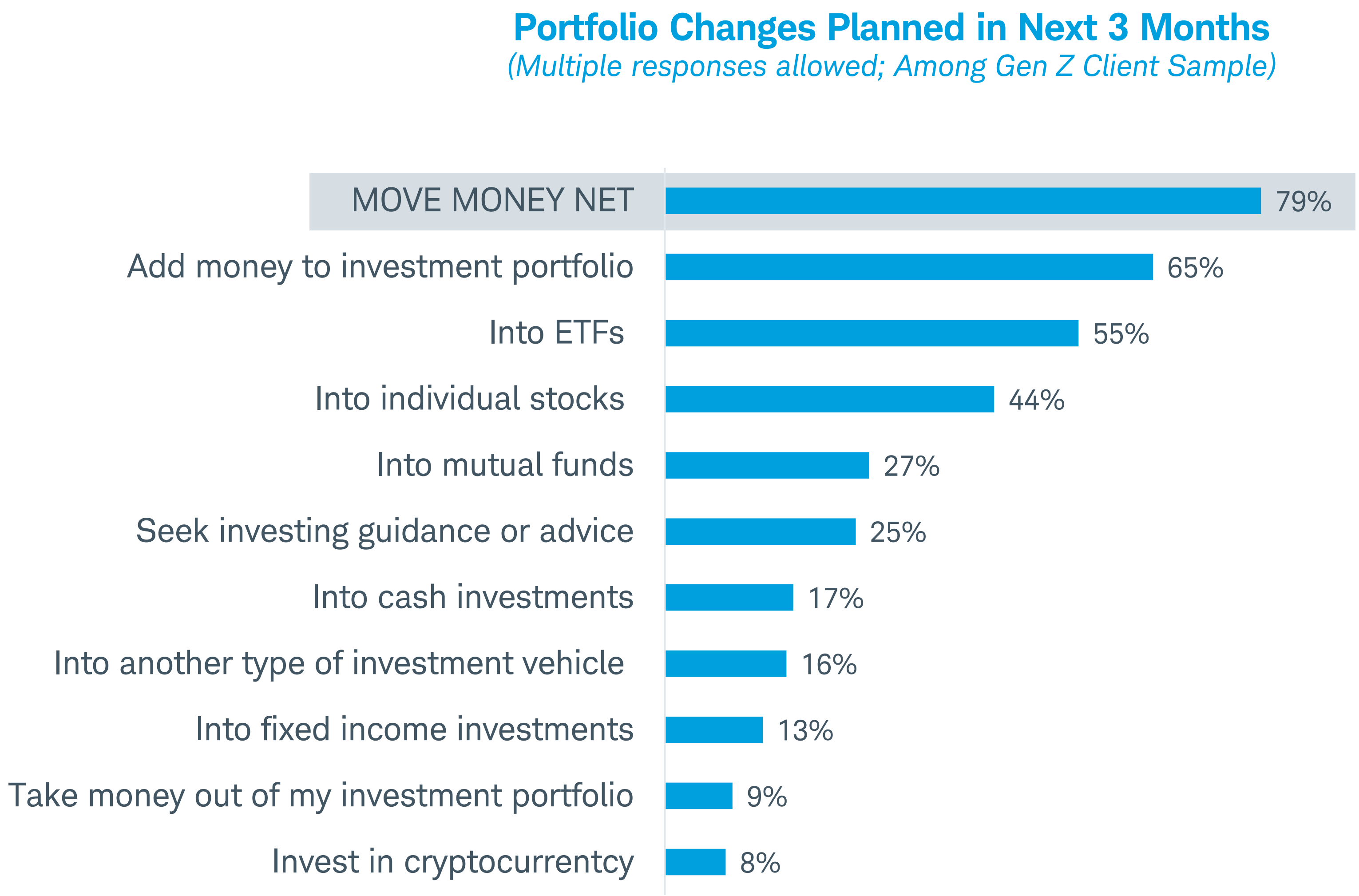
Base = Weighted Total (n=457)
Q23A. In your opinion, which term best describes the U.S. stock market for each of the following sectors over the next three months?

Gen Z clients are more confident in their ability to reach their financial goals compared to Q2.



Base = Weighted Total (n=457)
Q10. Which statement best describes your confidence in reaching your financial goals?

Nearly two thirds (65%) of Gen Z clients plan to add money to their investment portfolio in Q3.



Base = Weighted Total (n=457)
Q20. Which of the following actions, if any, do you plan to do over the next 3 months?

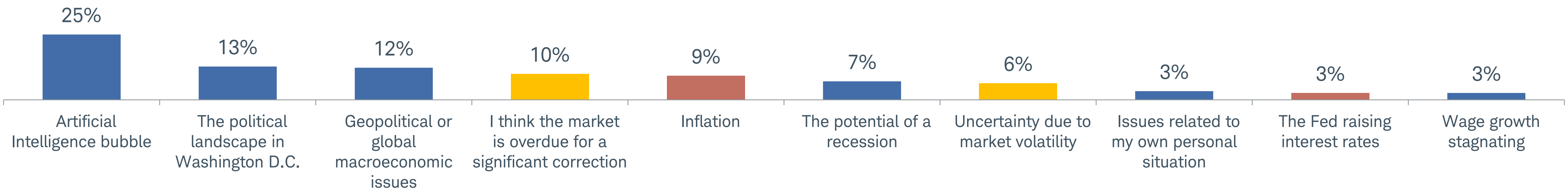
Gen Z clients' greatest investing concern in Q3 is a potential AI bubble.

Primary Concern About Investing

(Single response only; Among Those With A Concern; Among Gen Z Client Sample)

16% Correction / Market Volatility

Note: Percentages based among those with a concern

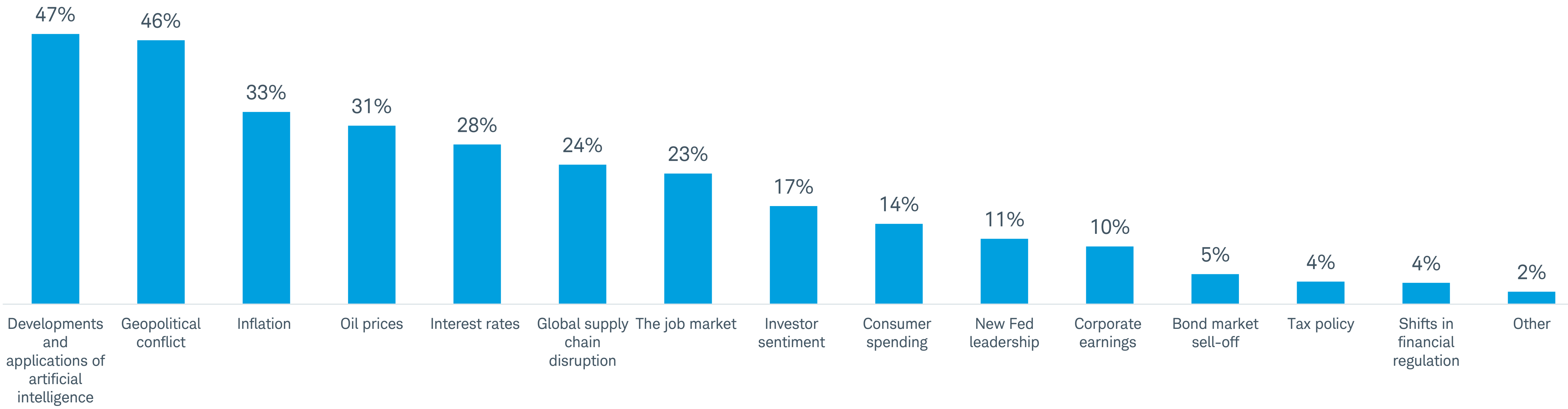


Base = Weighted Total (n=457)
Q7. What is your primary concern around money and investing within the next 3 months?

Gen Z clients expect AI developments and geopolitical conflict will have the greatest impact on the stock market in the second half of 2026.

Impact on Direction of Stock Market for Remainder of 2026

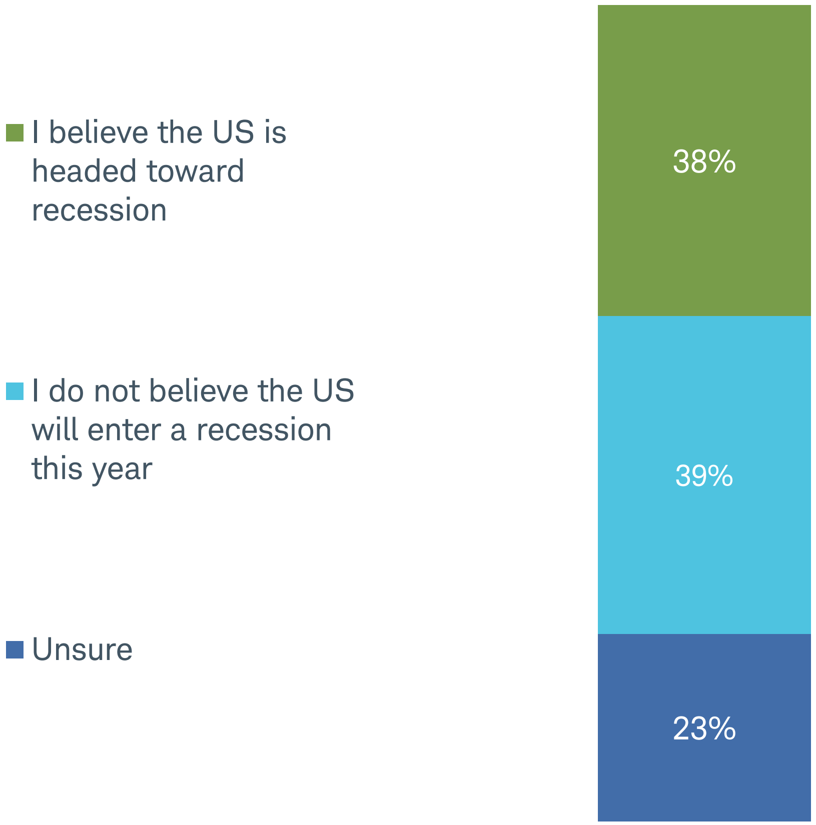
(Rank top three; Among Gen Z Client Sample)



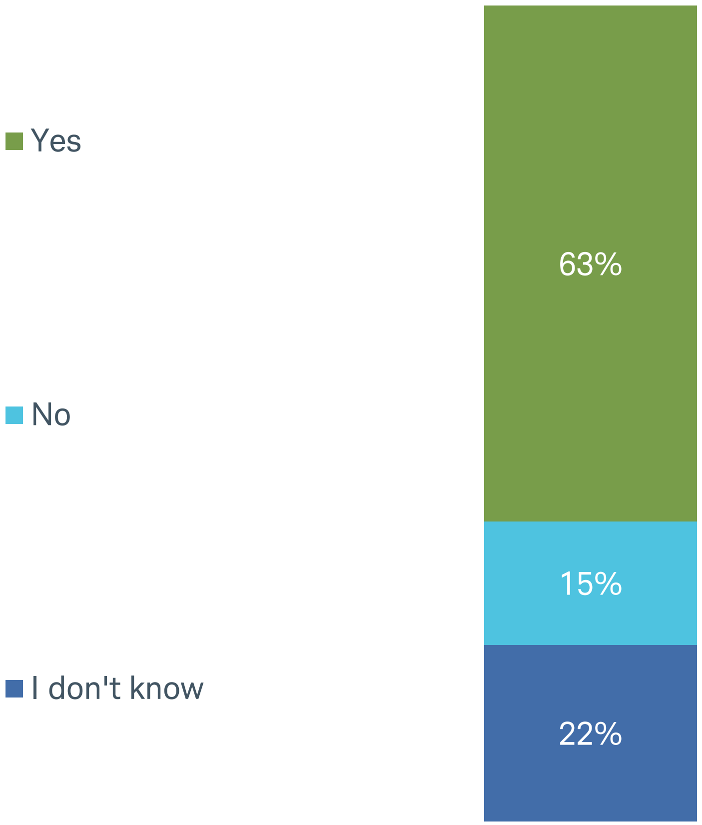
Base = Weighted Total (n=457)
QSI_Q326_4. Which of the following do you expect will have the biggest impact on the direction of the U.S. stock market for the remainder of 2026?

Gen Z clients are split on expectations for a recession in the remainder of 2026, but a majority (63%) feel the stock market is overvalued.

Outlook on Recession for 2026
(Single response only; Among Gen Z Client Sample)



Overvalued Stock Market
(Single response only; Among Gen Z Client Sample)

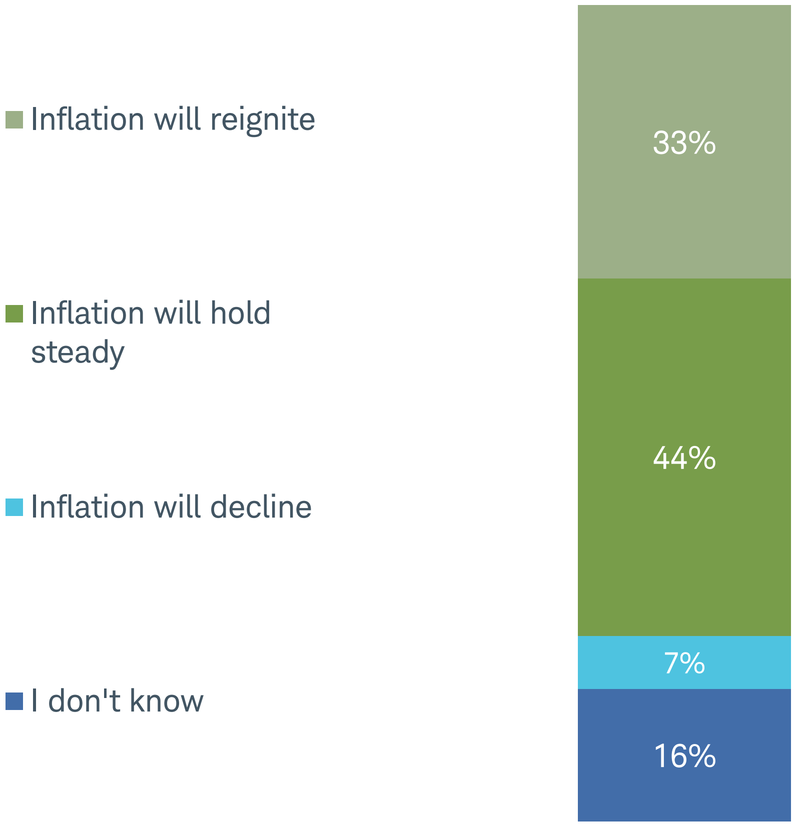


Base = Weighted Total (n=457)
QSI_Q326_2. What is your outlook on a recession for 2026?
QSI_Q326_3. In your opinion, is the stock market currently overvalued?

One third of Gen Z clients expect inflation will reignite in Q3; more than two thirds feel stagflation is likely in the next 12-18 months.

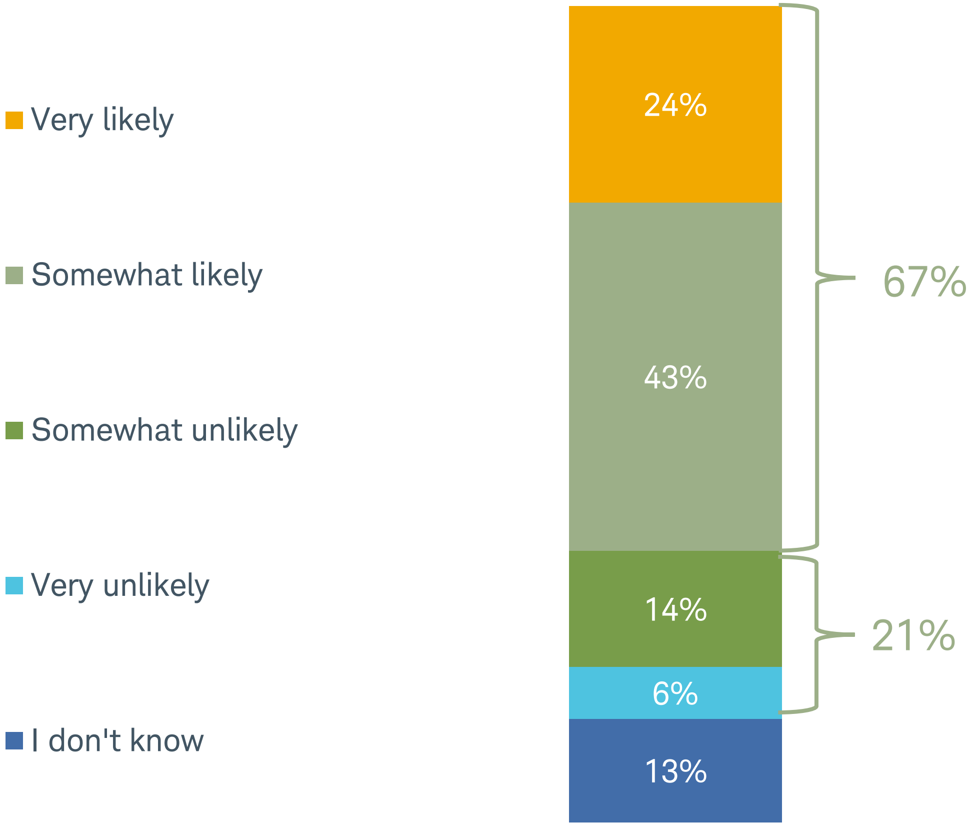
Expectations for Inflation in Q3

(Single response only; Among Gen Z Client Sample)



Expected Likelihood of "Stagflation"

(Single response only; Among Gen Z Client Sample)

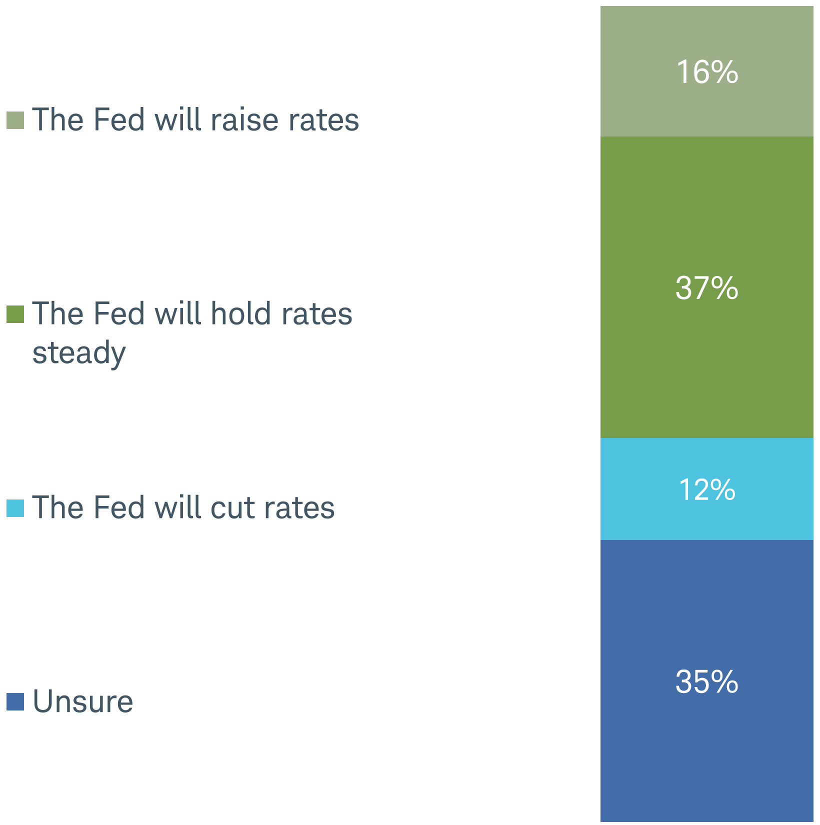


Base = Weighted Total (n=457)
QSI_Q326_1. What are your expectations for inflation in the third quarter of 2026?
QSI_Q326_7. How likely is it that the U.S. will see "stagflation" (high inflation, stagnant economic growth, and elevated unemployment) in the next 12-18 months?

Few Gen Z clients anticipate interest rate cuts from the U.S. Federal Reserve for the remainder of the year.

Expectations for Rate Policy Under New Fed Chair

(Single response only; Among Gen Z Client Sample)



Base = Weighted Total (n=457)
QSI_Q326_5. What is your expectation for rate policy in H2 2026 under the new Fed Chair?

Background and Methodology

Background and Methodology

Background:

- Charles Schwab & Co. has tracked client sentiment for over 10 years to gauge how clients (investors and traders) are feeling about their current financial situation, market & investing opportunities or risks, the market outlook, and their confidence in investing and achieving financial goals
- This report details clients' confidence with, and attitudes about, investing over time and the factors that influence attitudes & behaviors
- In Q4 2021, Schwab began tracking sentiment among Active Traders separately (clients who actively trade equities or trade options, futures, or forex).

Methodology:

- The data is collected quarterly via an online survey amongst clients with Retail Assets of at least $2,000
- Q3 study was fielded June 16th – June 23rd, 2026

Sample:

- 1,123 Clients - The data was weighted to reflect the Retail Client segment
- 1,100 Traders - The data was weighted to reflect the Trader segments

Rounding:

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

Clients

Young Investor	30%
Mid-Life	28%
Mature	31%
Retired	11%
Core (<$250k)	88%
Mass Affluent ($250k to <$1MM)	8%
HNW ($1MM to <$10MM)	4%
UHNW ($10MM+)	<1%

Traders

Young Investor	23%
Mid-Life	28%
Mature	31%
Retired	18%
Core (<$250k)	67%
Mass Affluent ($250k to <$1MM)	19%
HNW ($1MM to <$10MM)	13%
UHNW ($10MM+)	1%

Note: In 2020, the study was converted from a bi-annual study to a quarterly cadence and switched from collecting data near the end of the quarter to the beginning of the quarter, enabling the PR team to have more timely data.