

Q1 2026 Trader Client Sentiment Report

charles
SCHWAB

Own your tomorrow.

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.

Q1 2026 Trader Sentiment Executive Summary

More than half of traders are bullish on the stock market, although bullish sentiment is down five percentage points from the end of 2025.

Key Q1 Themes

- Bullish market sentiment dropped the most among young traders compared to other age groups.
- The Energy, Utilities, and Materials sectors have the most bullish sentiment among traders with Information Technology sentiment dropping the most of any sector since Q4 2025.
- Traders are most bullish on growth, AI, and value stocks in Q1 2026, although sentiment in AI stocks has dropped since Q4 2025.
- The political landscape in Washington DC and Geopolitical/global macro economic issues are Traders' top concerns, with 1-in-5 worried about uncertainty or the potential of a market correction.
- Although there is concern over the weakening of the stock market, many traders (47%) are risk-seeking, with 83% likely to “buy the dip” if the market declines over the next 3 months.

Q1 2026 Trader Sentiment Snapshot

Good Time to Invest

54%



Better Off Financially

60%



Confident In Decisions

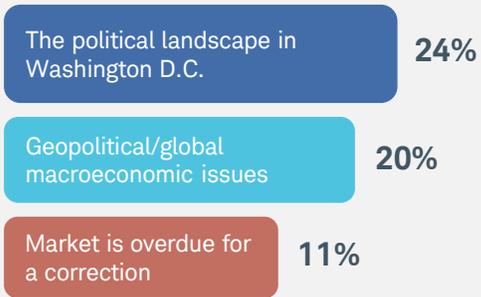
67%



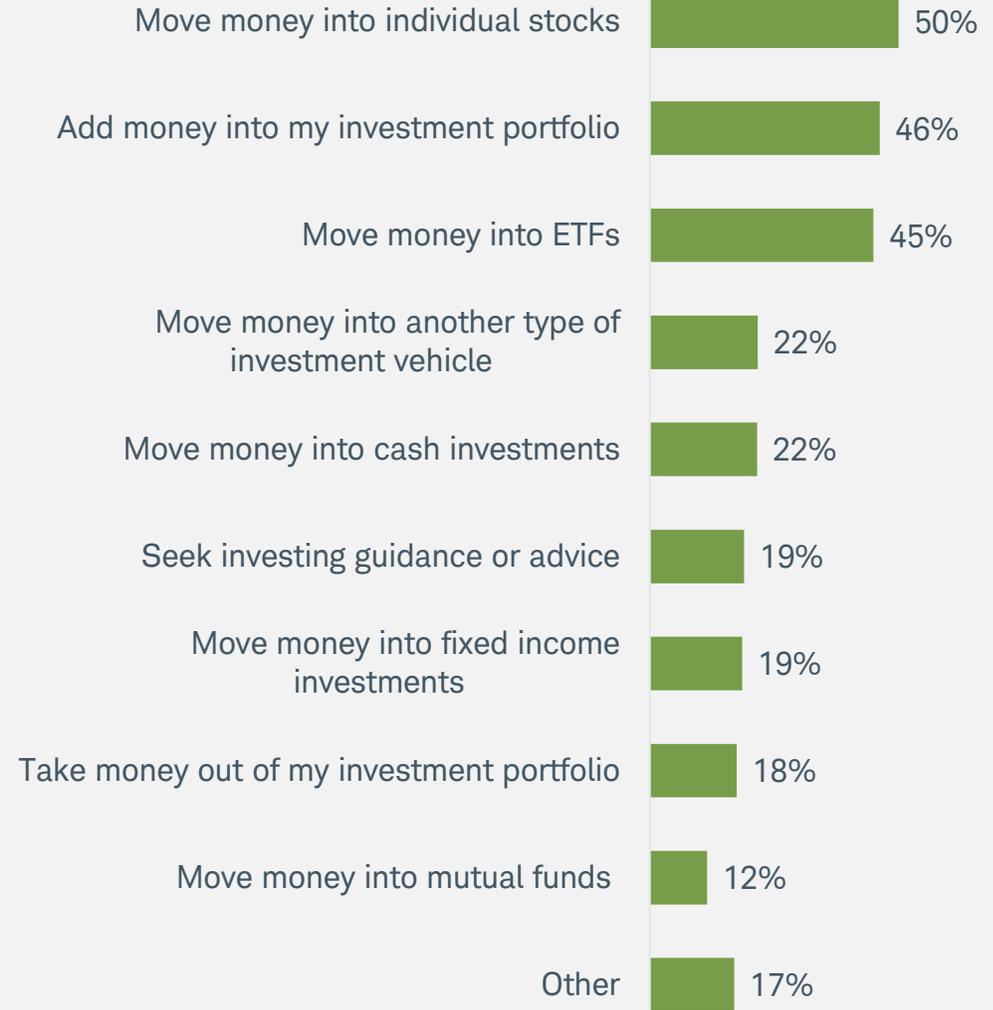
3 Month Outlook



Primary Concern Next 3 Months

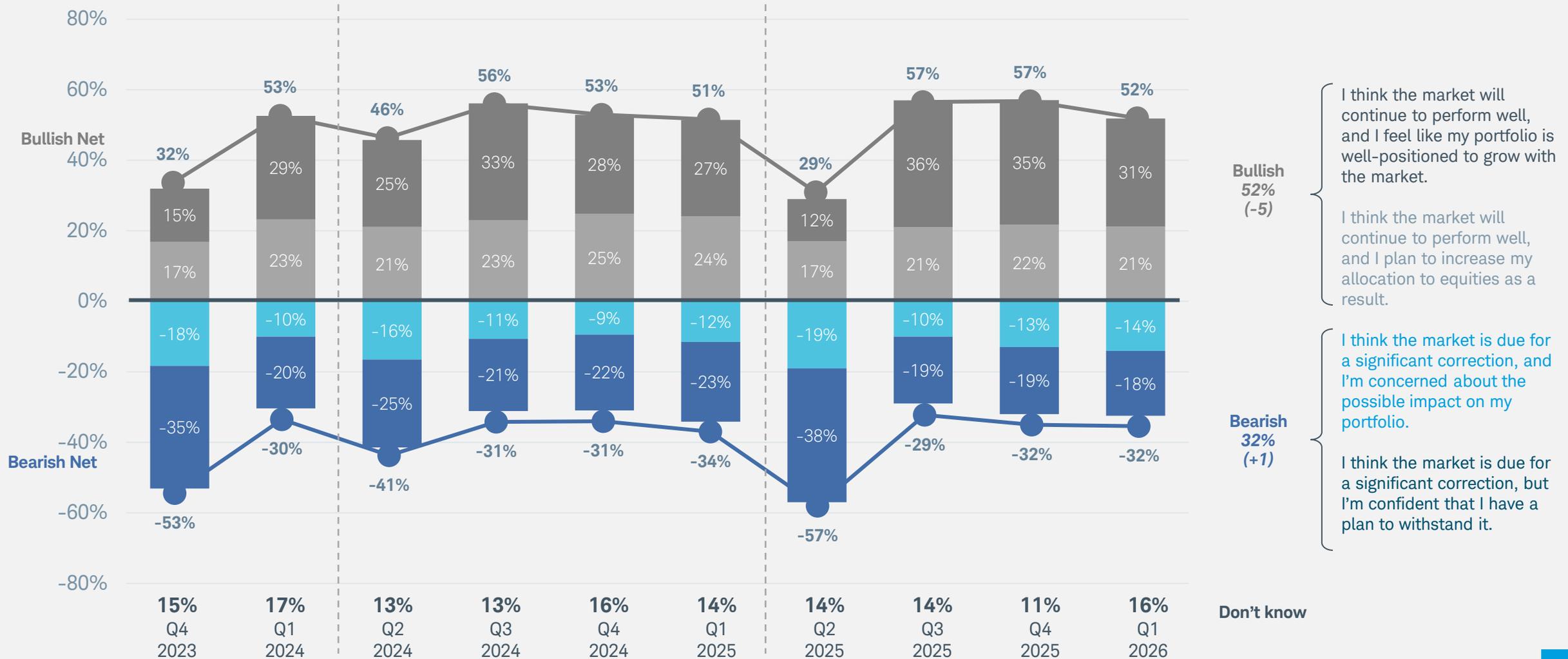


Planned Actions For The Next 3 Months



More than half of traders are bullish on the stock market, although bullish sentiment is down five percentage points from the end of 2025.

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



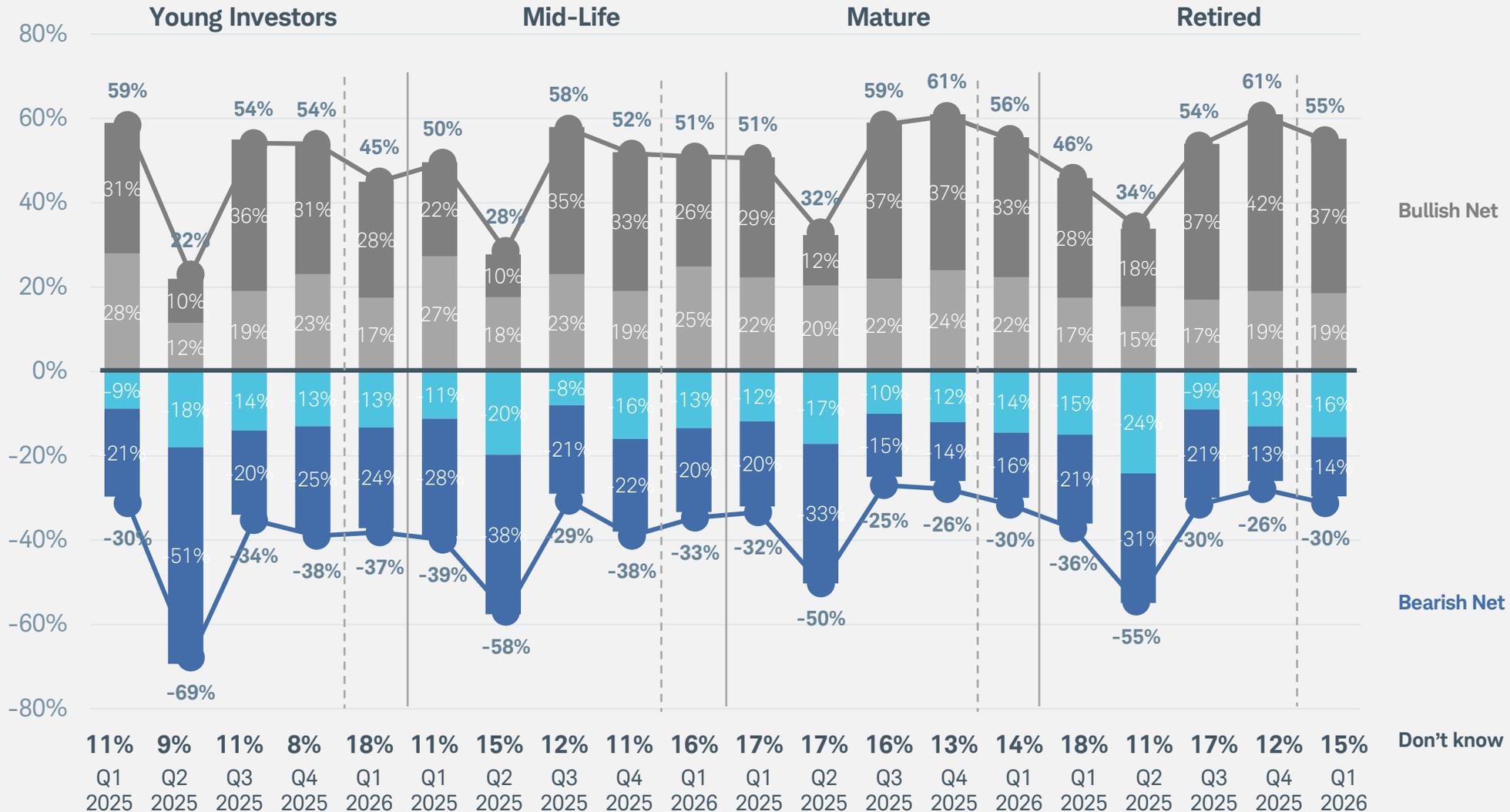
Base = Weighted Total (n=2,121)

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

Classification: Public

Bullish market sentiment dropped the most among young traders compared to other age groups.

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.

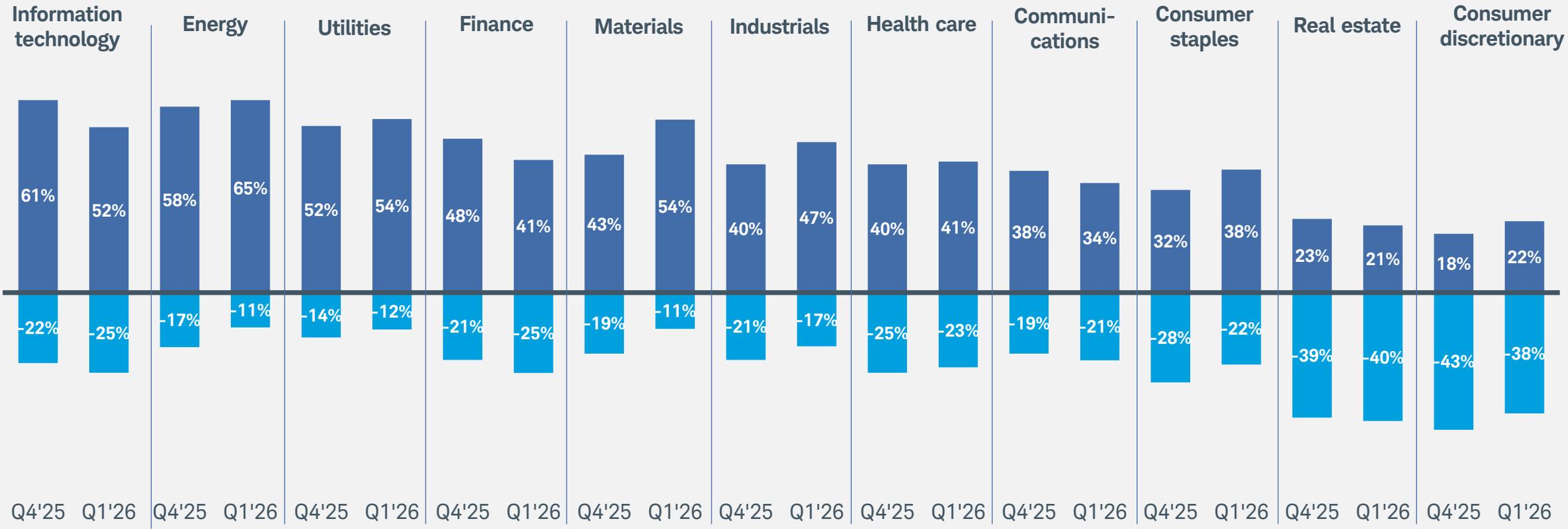
Base = Weighted Total (n=2,121)

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

Classification: Public

The Energy, Utilities, and Materials sectors have the most bullish sentiment among traders with Information Technology sentiment dropping the most of any sector since Q4 2025.

Sector Sentiment Q4'25 vs Q1'26
(Among Trader Sample)

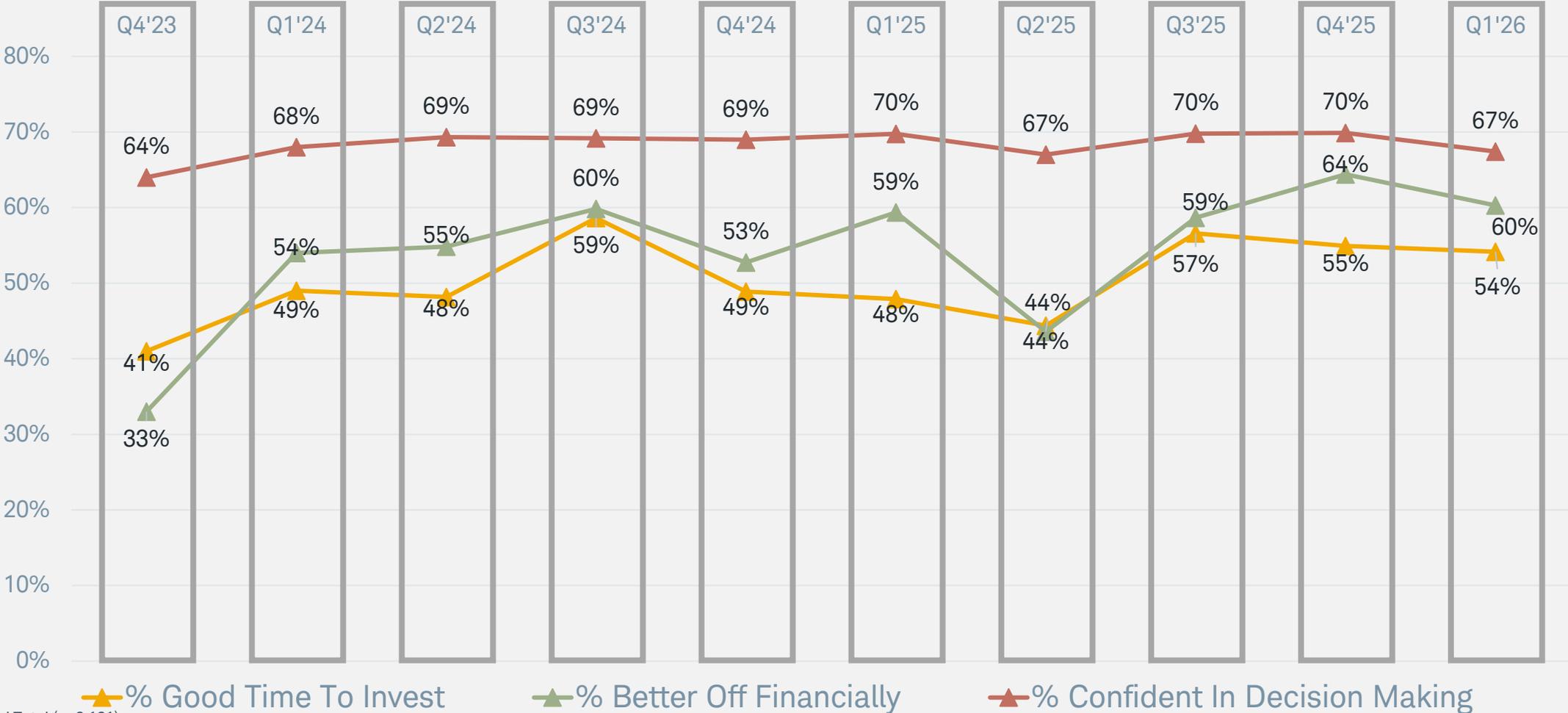


■ Bearish ■ Bullish

Base = Weighted Total (n=2,121)
Q23A. In your opinion, which term best describes the U.S. stock market for each of the following sectors over the next three months?

Trader confidence measures have dipped slightly although confidence in decision making remains high.

Trader Confidence Trends
(Among Trader Sample)



Base = Weighted Total (n=2,121)

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?

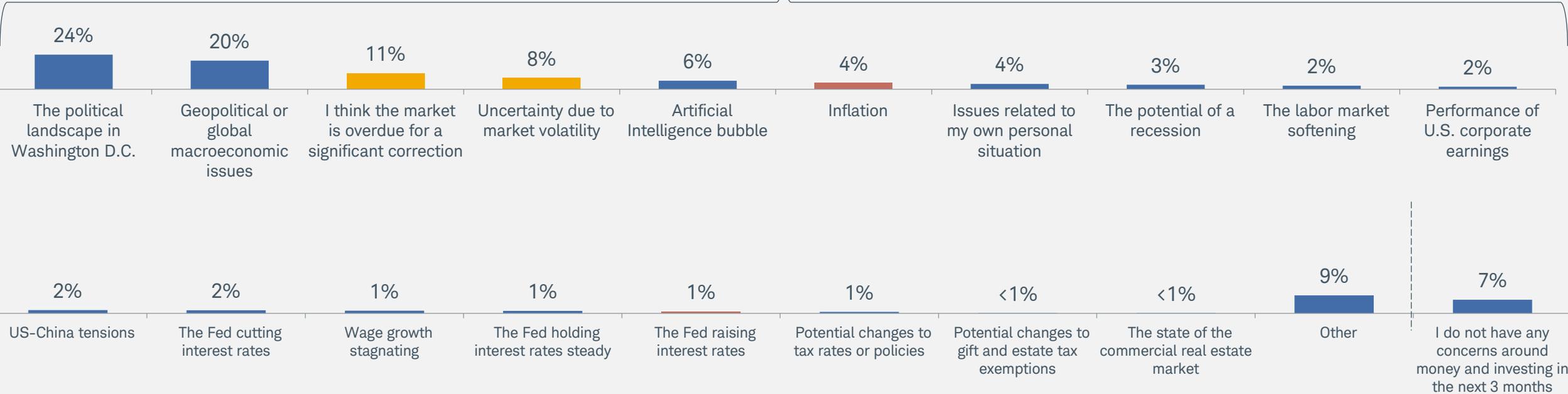
The political landscape, geopolitical and global macroeconomic issues, and concerns about a market correction and volatility are traders' top concerns as we start 2025.

Primary Concern About Investing

(Single response only; Among Those With A Concern; Among Trader Sample)

 **19% Correction / Market Volatility**

Note: Percentages based among those with a concern



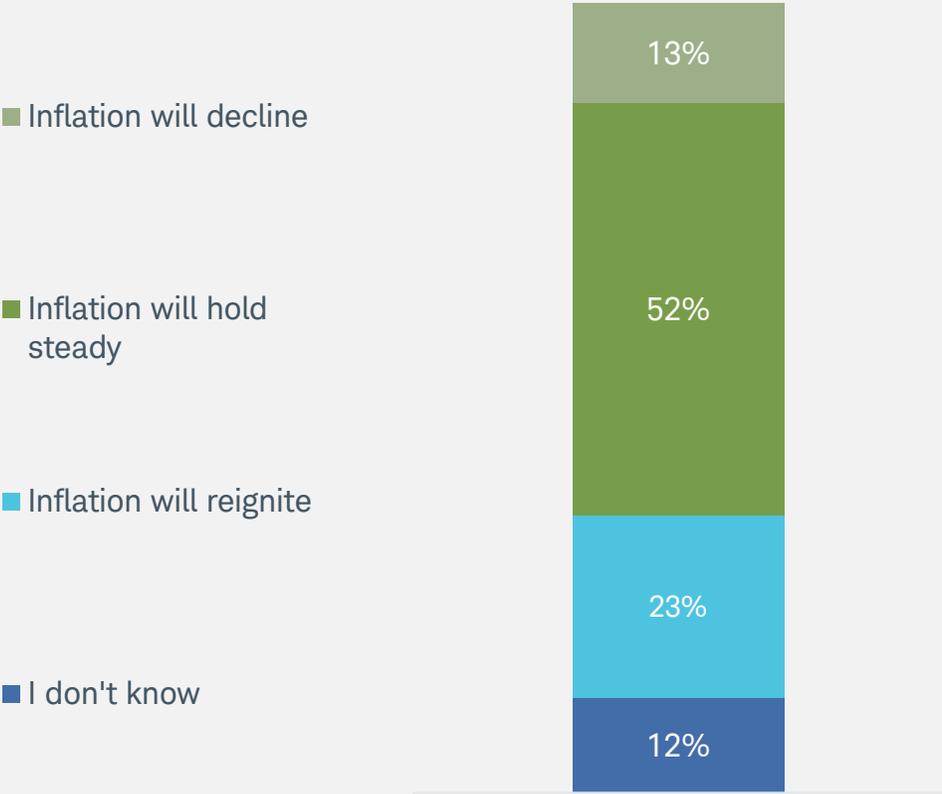
Base = Weighted Total (n=2,121)
 Q7. What is your primary concern around money and investing within the next 3 months?

Q1 Trader Topics

A majority of traders think inflation will hold steady and half think stagflation is at least somewhat likely.

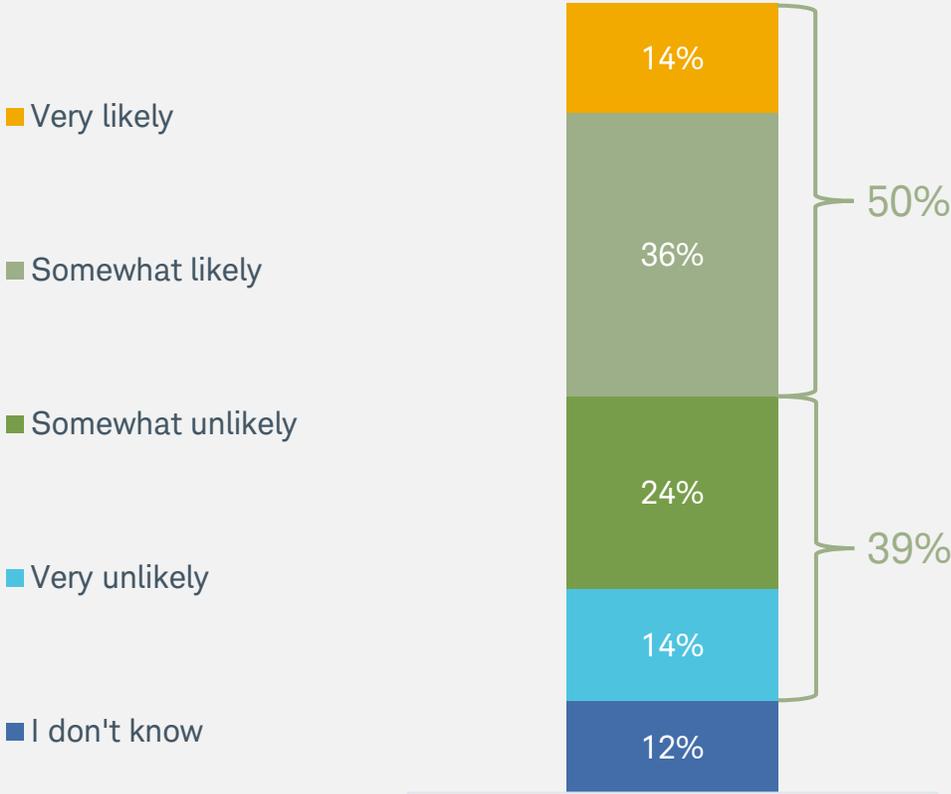
Expectations for Inflation

(Single response only; Among Trader Sample)



Expected Likelihood of "Stagflation"

(Single response only; Among Trader Sample)

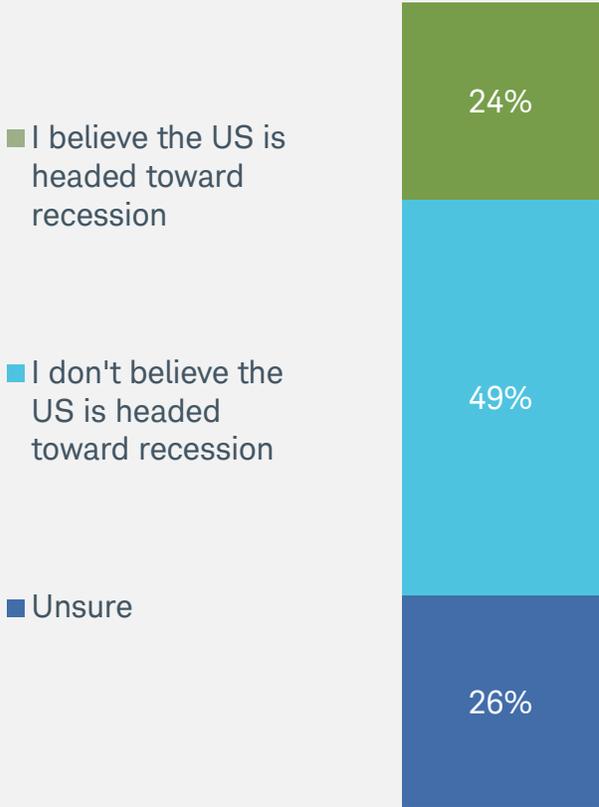


Base = Weighted Total (n=2,121)
 QAT_Q126_1. What are your expectations for inflation in the first quarter of 2026?
 QAT_Q126_2. How likely is it that the U.S. will see "stagflation" (high inflation, stagnant economic growth, and elevated unemployment) in the next 12-18 months?
 Classification: Public

Nearly half of traders are not concerned about a U.S. recession although nearly 60% say the stock market is overvalued.

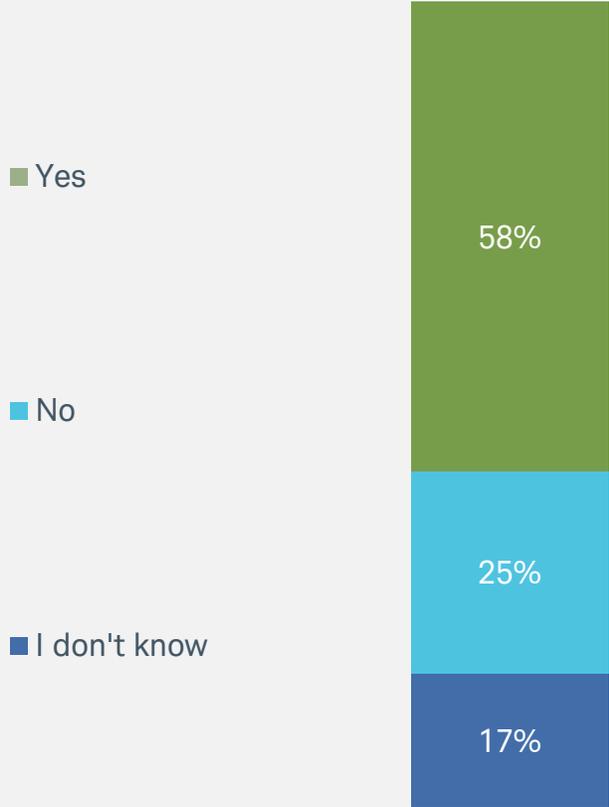
Outlook on Recession

(Single response only; Among Trader Sample)



Overvalued Stock Market

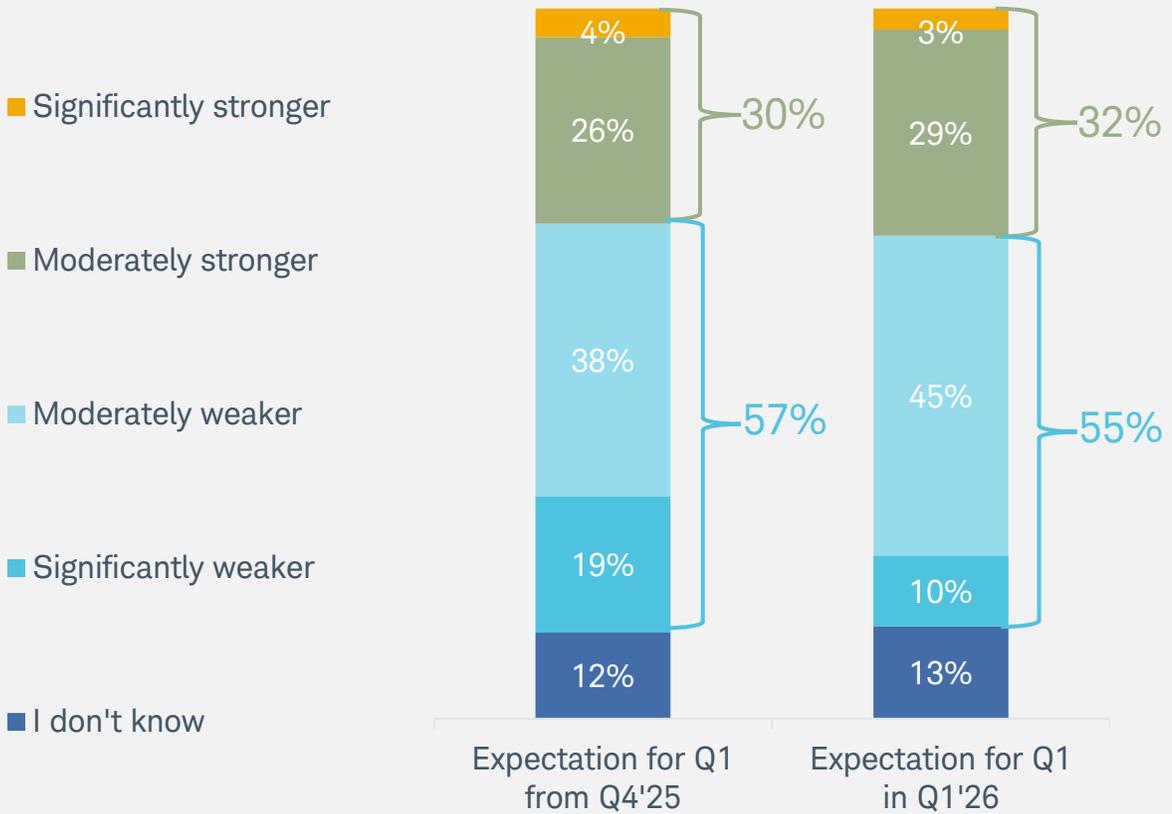
(Single response only; Among Trader Sample)



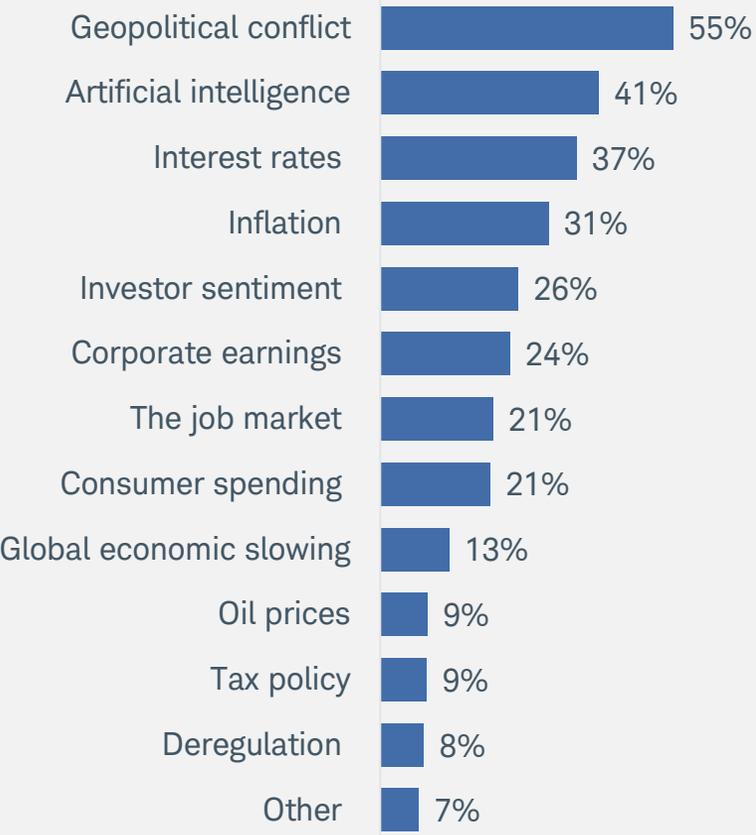
Base = Weighted Total (n=2,121)
QAT_126_4. What is your outlook on a recession for 2026?
QAT_Q126_5. In your opinion, is the stock market currently overvalued?
Classification: Public

A majority of traders expect the U.S. labor market to get weaker in the first half of 2026, and traders believe the biggest stock market drivers will be geopolitical conflict, AI, and interest rates.

Expectation of Labor Market Performance
(Single response only; Among Trader Sample)



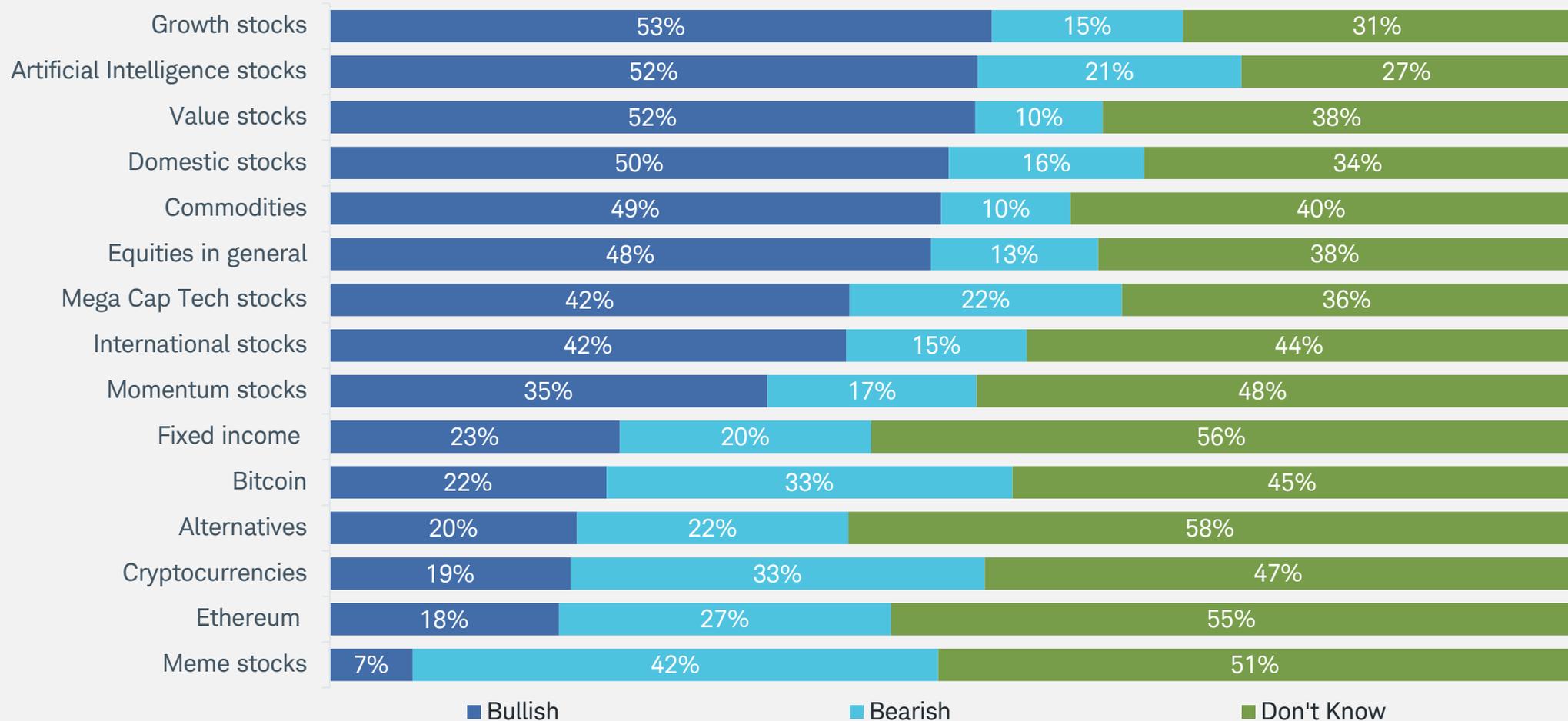
Expectation of Impact on Direction of Stock Market
(Select top three; Among Trader Sample)



Base = Weighted Total (n=2,121)
 QAT_Q126_6. How do you expect the U.S. labor market to perform in the first half of 2026?
 QAT_Q126_10. Which of the following do you expect will have the biggest impact on the direction of the U.S. stock market in 2026?
 Classification: Public

Traders are most bullish on growth, AI, and value stocks in Q1 2026.

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



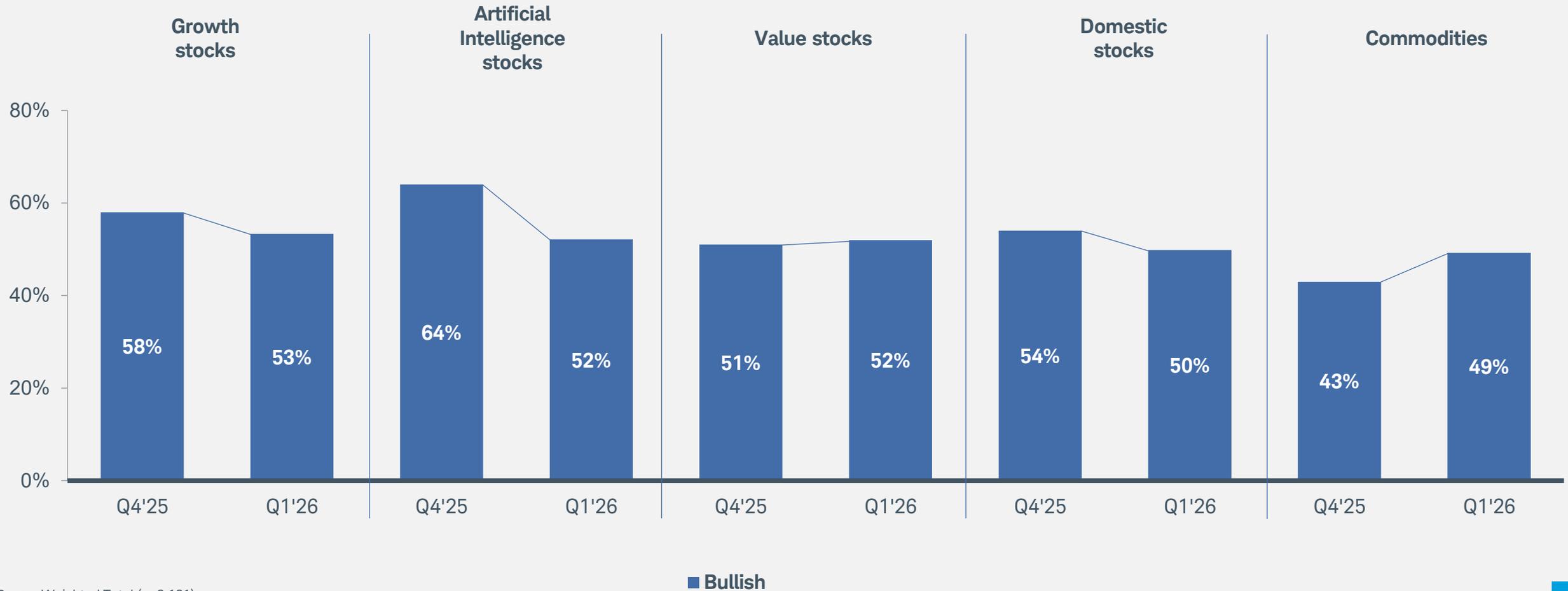
Base = Weighted Total (n=2,121)

QAT_Q126_11. Are you bullish or bearish on each of the following for the next 3 months?

Classification: Public

More than half of traders are bullish on AI stocks although sentiment has gone down since Q4 2025.

Sentiment Toward Five Most Bullish Investment Vehicles – Q4'25 vs Q1'26 (Among Trader Sample)



Base = Weighted Total (n=2,121)

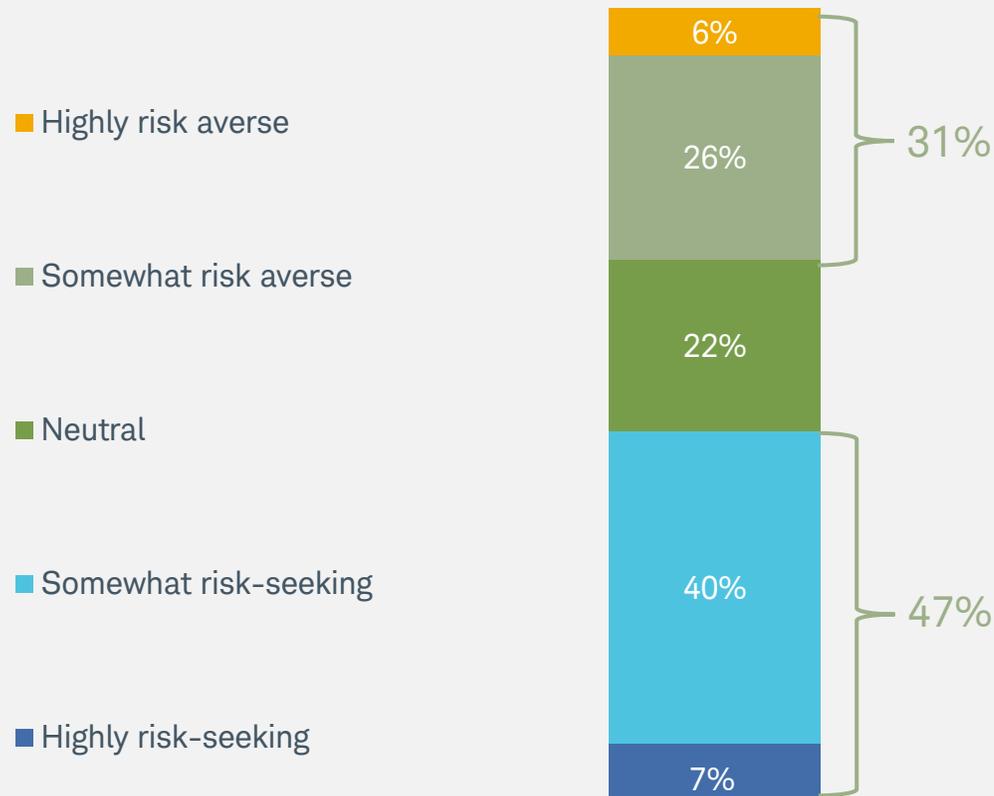
QAT_Q425_8. Are you bullish or bearish on each of the following for the next 3 months?/QAT_Q126_11. Are you bullish or bearish on each of the following for the next 3 months?

Classification: Public

Traders lean toward seeking risk in their strategies, while they see AI stocks as the most crowded trade.

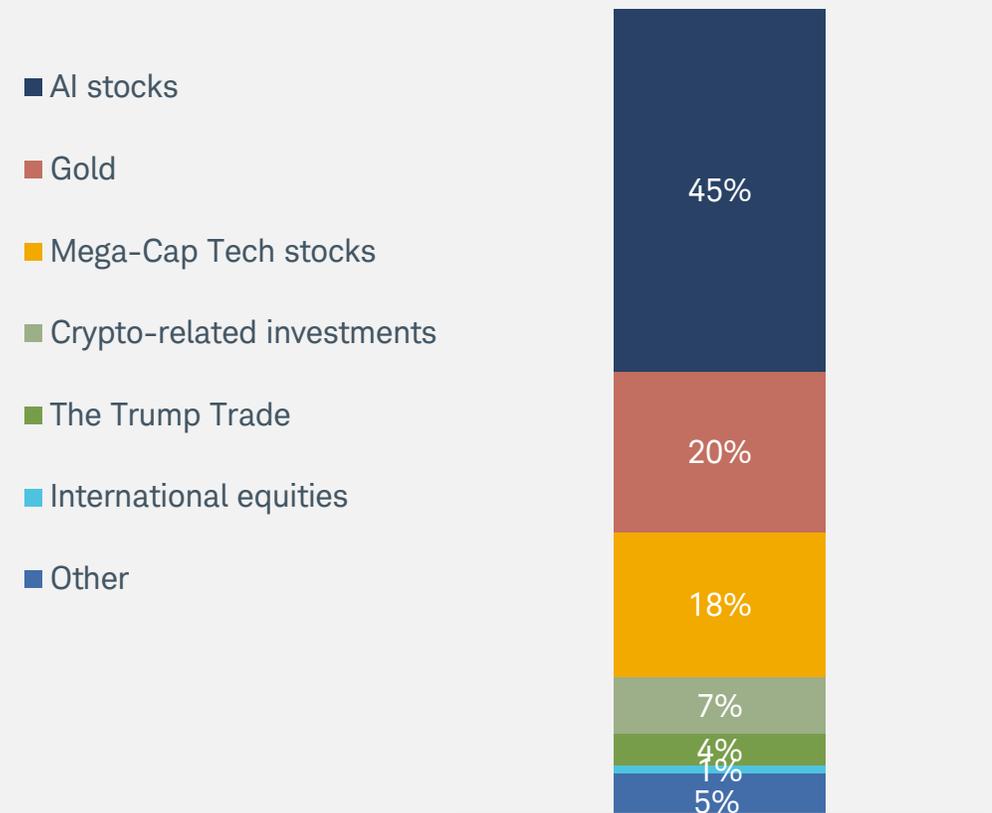
Risk Appetite Descriptor

(Single response only; Among Trader Sample)



Most Crowded Trade

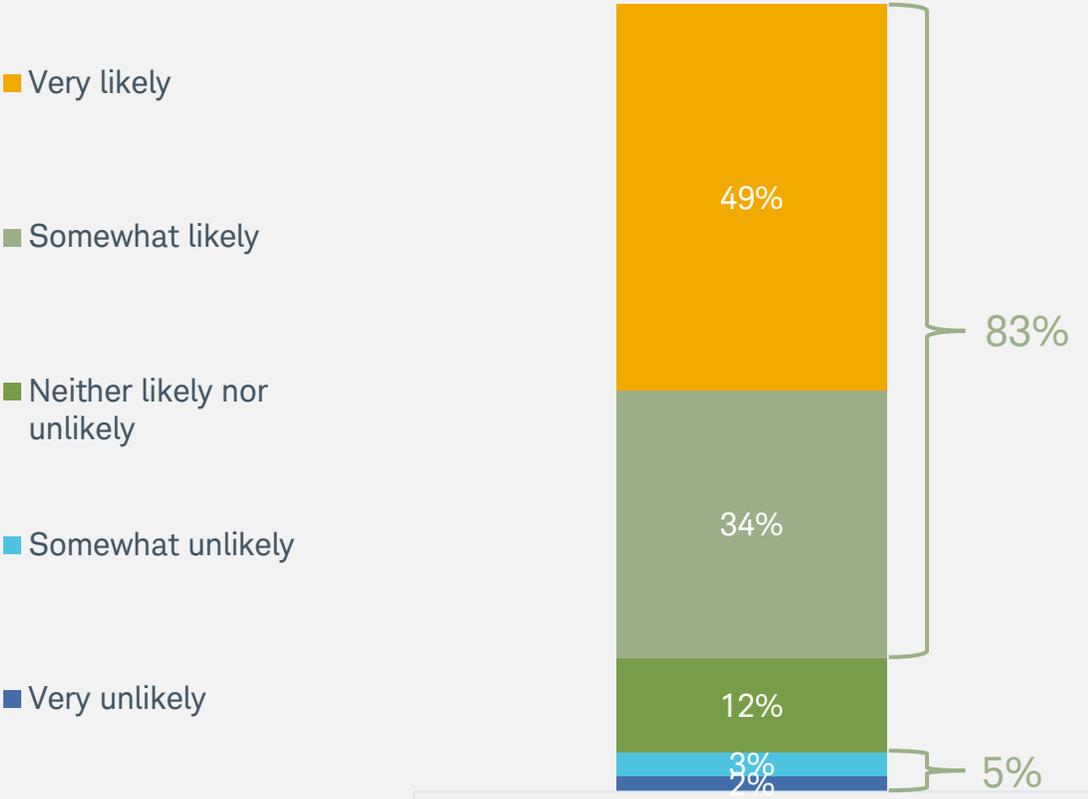
(Single response only; Among Trader Sample)



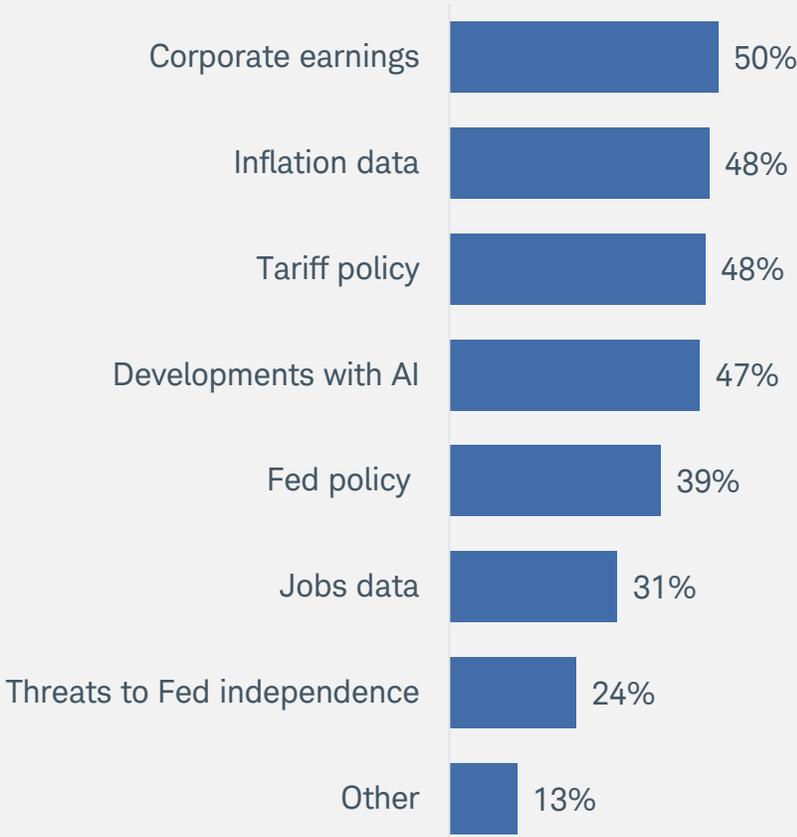
Base = Weighted Total (n=2,121)
 QAT_Q126_12. Which of the following best describes your risk appetite at the outset of 2026?
 QAT_Q126_14. In your opinion, what is the most crowded trade right now?
 Classification: Public

Traders are likely to buy the dip if the opportunity presents itself, and corporate earnings have the greatest impact on trading strategy.

Likelihood to “Buy the Dip”
(Single response only; Among Trader Sample)



Greatest Impact on Trading Strategy
(Rank top three; Among Trader Sample)

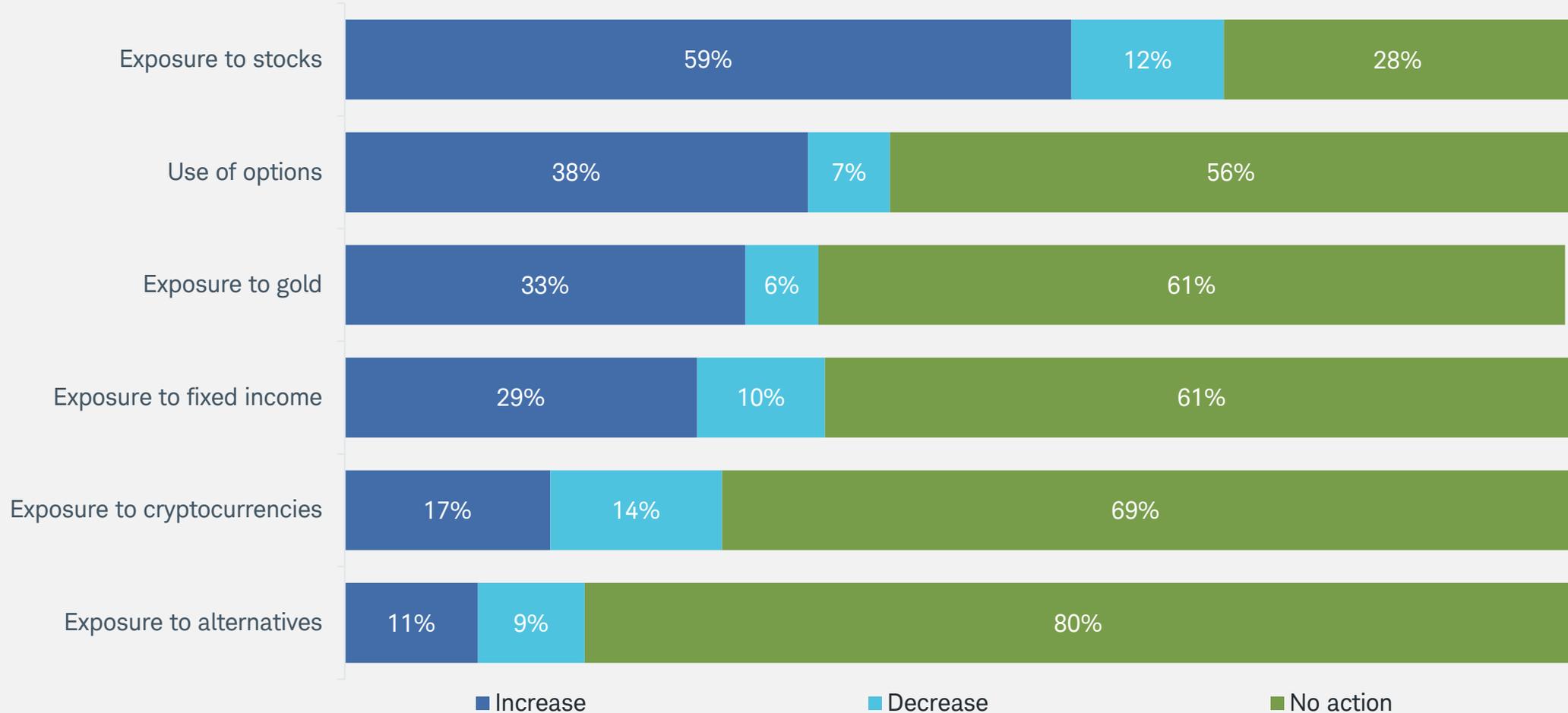


Base = Weighted Total (n=2,121)
 QAT_Q126_13. How likely are you to “buy the dip” if there are notable market declines in the next three months?
 QAT_126_16. Please rank the following according to which is having the greatest impact on your trading strategy.
 Classification: Public

Traders' market expectations have the greatest impact on their level of stock exposure.

Impact of Market Expectations on Approach to Trading

(Single response only; Among Trader Sample)



Base = Weighted Total (n=2,121)
QAT_Q126. 15. How are your expectations for the stock market and economy impacting your approach to trading?

Classification: Public



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
- Q1 study was fielded January 20th – January 27th, 2026

Sample:

- 2,121 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.

Gender Male 1,800 (85%) Female 237 (11%) No answer 84 (4%)	Affluence UHNW (\$10M+) 28 (1%) HNW (\$1M-<\$10M) 493 (23%) Mass Affluent (\$250K-<\$1M) 593 (28%) Core (<\$250K) 1,007 (47%)	Active Trader Active 2,121 (100%) Not Active 0 (0%)
Life Stage Younger Investor (<40) 235 (11%) Mid-Life (40-55) 449 (22%) Mature (55+ not retired) 704 (34%) Retired 692 (33%)	Financial Consultant Relationship Has Financial Consultant 508 (24%) Does not have Financial Consultant 1,613 (76%)	Employment Status Employed full-time 715 (34%) Employed part-time 45 (2%) Self-employed 295 (14%) Retired/Semi-retired 889 (42%) Other 66 (3%) No answer 111 (5%)

0226-H2W1