

Q3 2025 Trader 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.

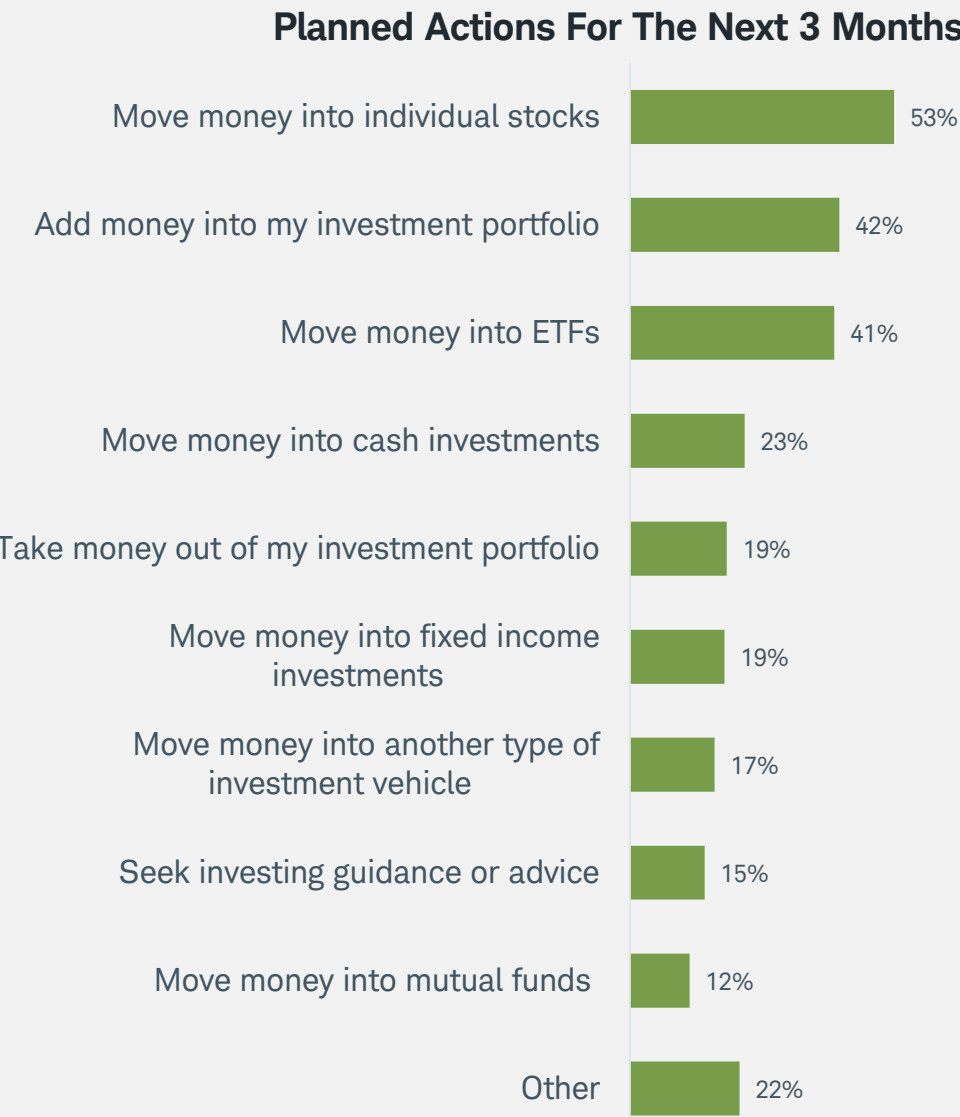
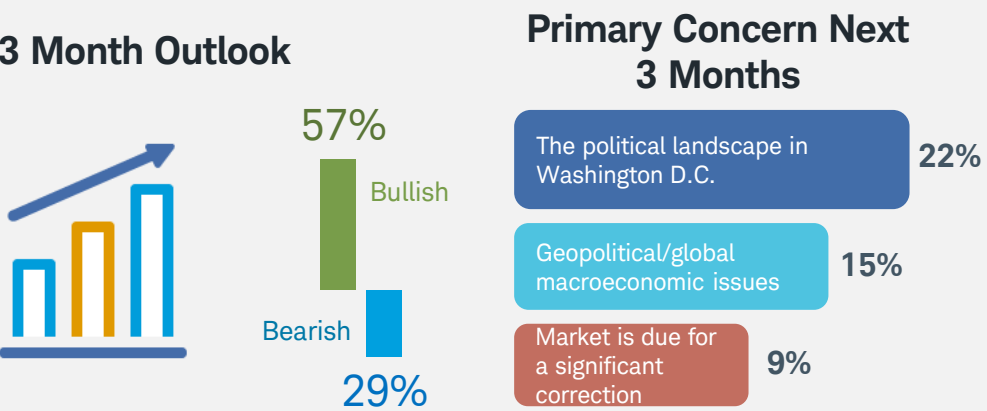
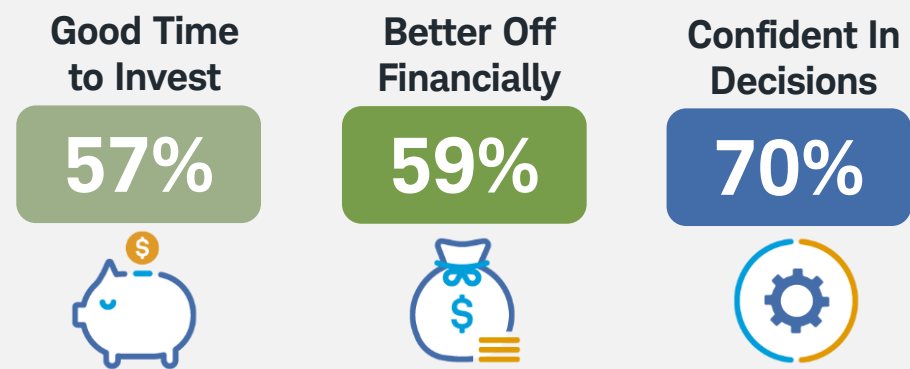
Q3 2025 Trader Sentiment Executive Summary

Trader sentiment has rebounded this quarter, reaching a new high since this survey's inception in 2022.

Key Q3 Themes

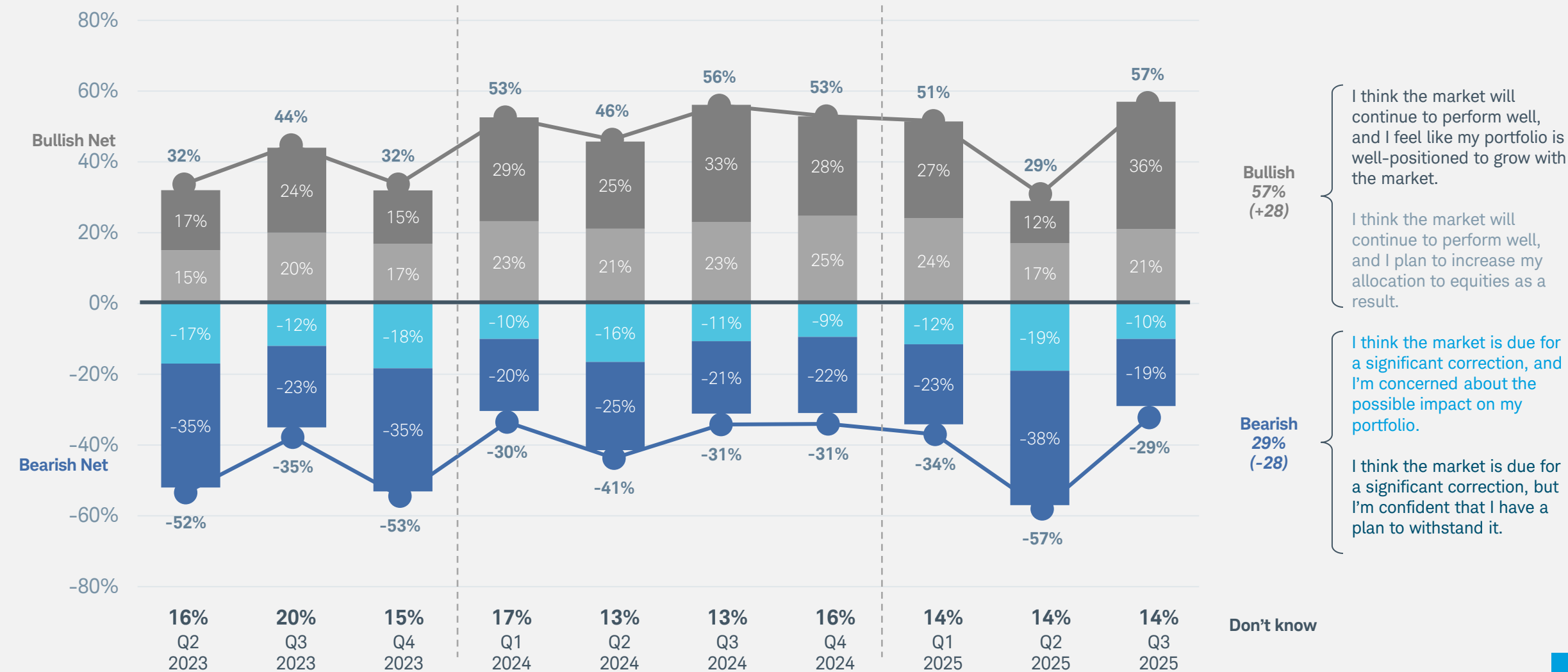
- **Political concerns still dominate:** Traders are most concerned with the political landscape in Washington D.C. followed by geopolitical/global macroeconomic issues and uncertainty due to market volatility.
- **Recession concerns have eased:** Traders' recession expectations dropped by about half quarter-over-quarter (63% in Q2 2025 vs. 31% in Q3 2025).
- **Intention to 'buy the dip':** Should markets dip in Q3, 80% of traders report they'll take it as a buying opportunity.
- **Tariffs spark concern and opportunity:** Just over half (52%) of traders feel tariffs will have a negative impact on the U.S. economy and 55% report having traded off of tariff policy developments in recent months.
- **Over half of Traders feel the market is overvalued:** More than half of traders (57%) feel the market is overvalued, with AI stocks and Mega-Cap Tech stocks cited as the top-most crowded trade.

Q3 2025 Trader Sentiment Snapshot



Sentiment rebounded in Q3 2025, with bullishness reaching its highest level since this survey began in 2022.

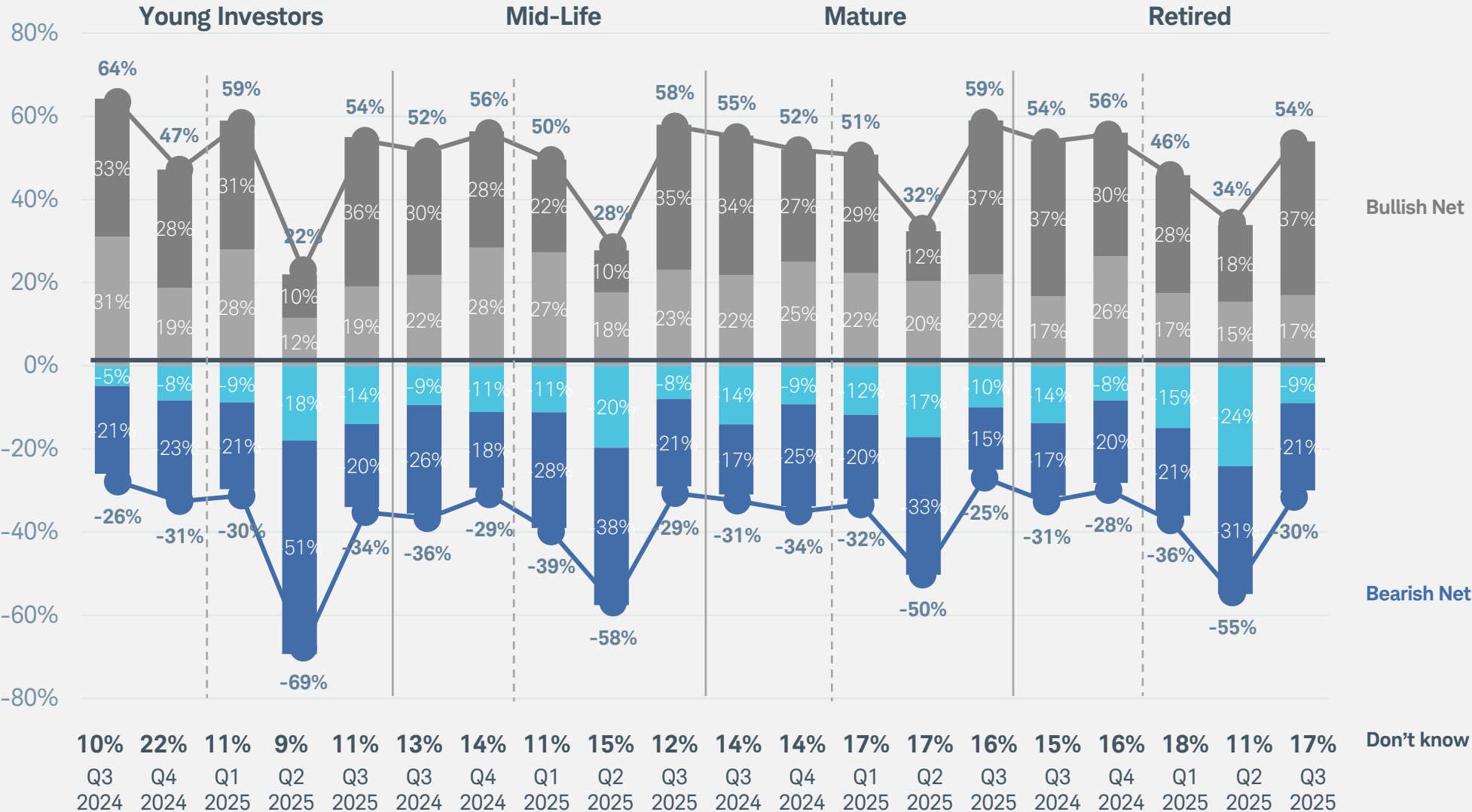
Outlook For U.S. Stock Market
(Single response only; Among Trader Sample)



Base = Weighted Total (n=1,323)
Q6. Thinking about the next 3 months, which statement best describes your outlook for the U.S. stock market?
Classification: Public

Traders at every life stage report net-bullish sentiment in Q3 2025.

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.

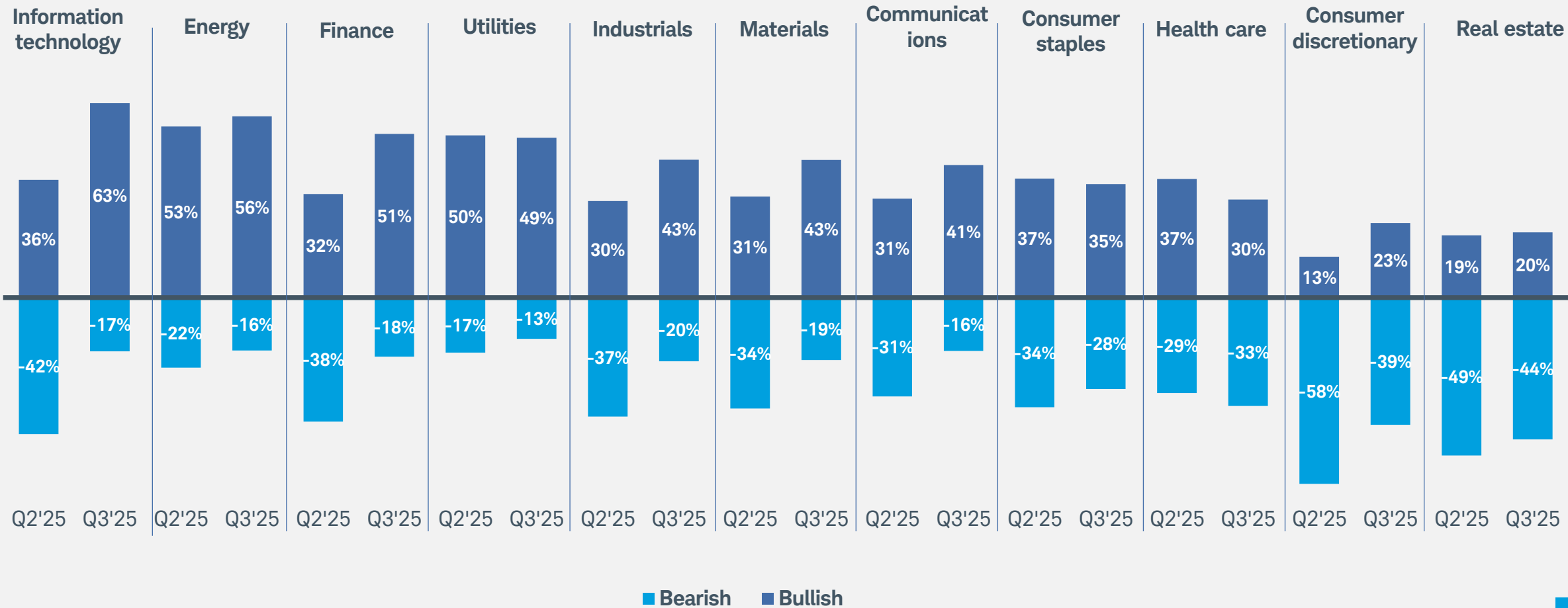
I think the market is due for a significant correction, and I'm concerned about the possible impact on my portfolio.

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=1,323)
Q6. Thinking about the next 3 months, which statement best describes your outlook for the U.S. stock market?
Classification: Public

At the sector level, traders have become significantly more bullish on Information Technology, Finance, Industrials, and Materials in Q3.

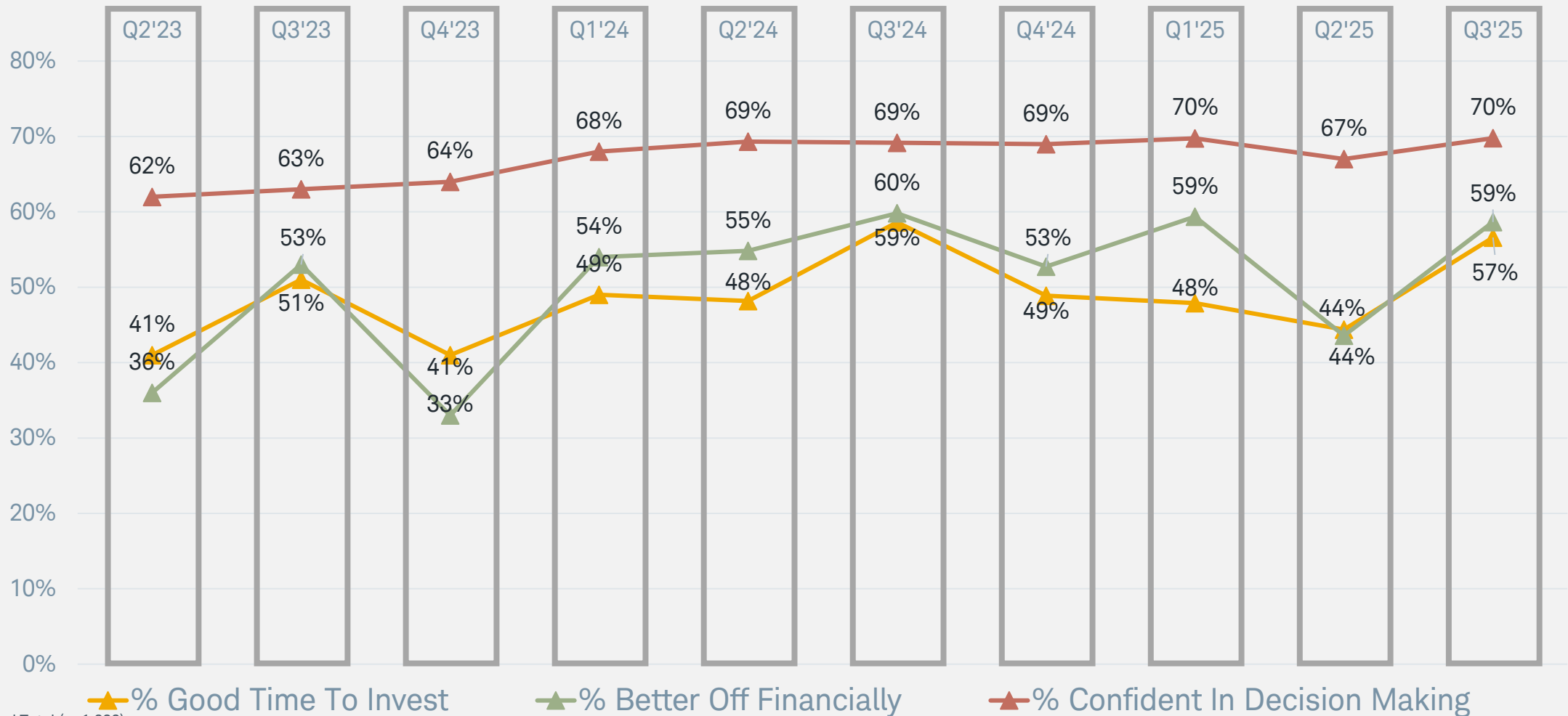
Sector Sentiment Q2'25 vs Q3'25
(Among Trader Sample)



Base = Weighted Total (n=1,323)
Q23A. In your opinion, which term best describes the U.S. stock market for each of the following sectors over the next three months?

Confidence in decision making remains high as more traders report feeling better off financially than one year ago and more than half see now as a good time to invest.

Trader Confidence Trends
(Among Trader Sample)



Base = Weighted Total (n=1,323)
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?

Domestic and global political concerns are traders' primary concerns about investing in Q3, followed by the possibility of a market correction and volatility.

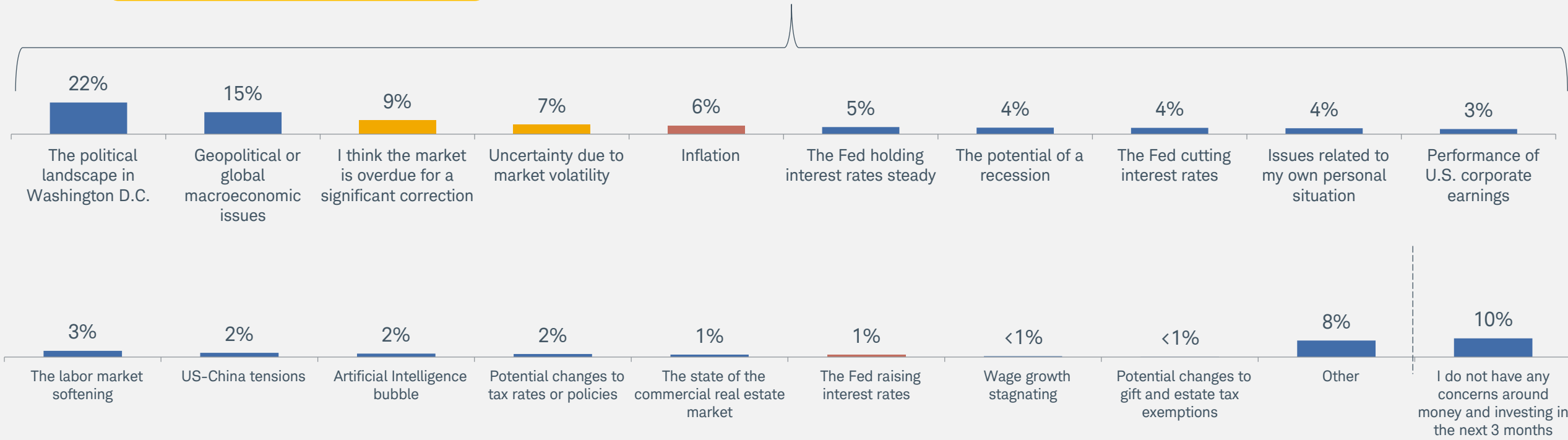
Primary Concern About Investing

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



**16% Correction /
Market Volatility**

Note: Percentages based among those with a concern



Base = Weighted Total (n=1,323)
Q7. What is your primary concern around money and investing within the next 3 months?

Q3

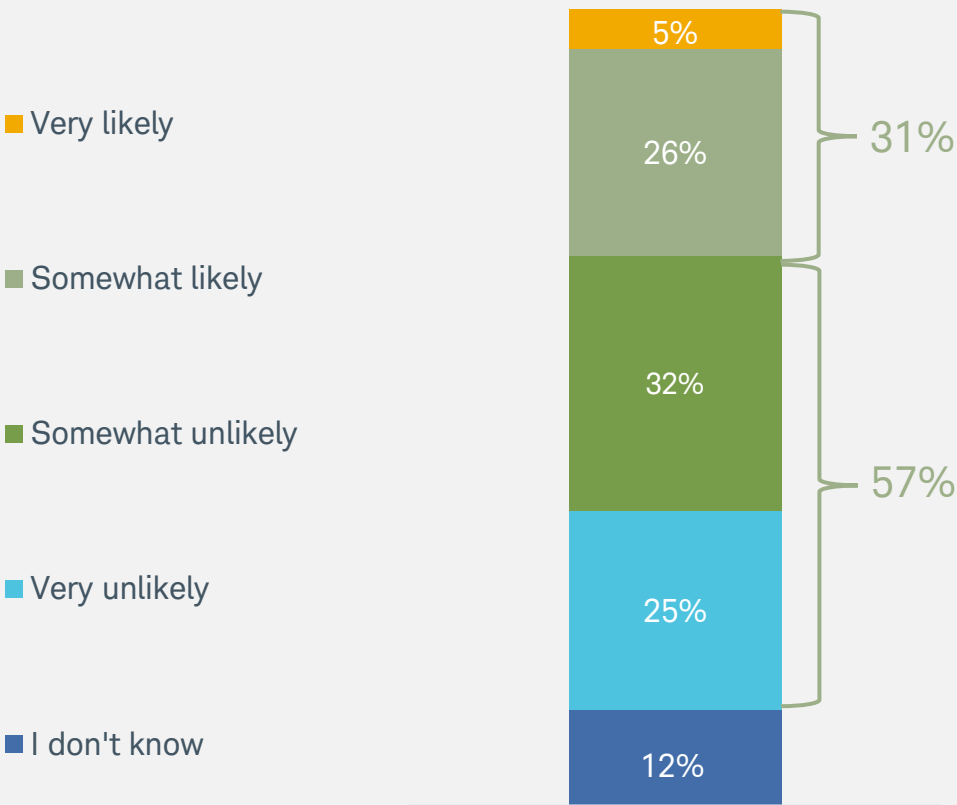
Trader Ad Hoc Topics

- Economic/Market Outlook
 - Likelihood of Recession and “Stagflation”
 - Expectations for Inflation
 - Fed Rate Cuts
 - Expectations for Stock Market, Overvalued Markets, and Crowded Trades
- Trading Trends and Landscape
 - Bullish & Bearish Views
 - Trading Strategy
 - Market Volatility and Pullback
 - Cryptocurrency
- Trade Policy
 - Impact of Tariffs on Trading and Economic Growth

Traders' recession expectations dropped by half quarter-over-quarter (63% in Q2 2025 vs. 31% in Q3 2025) and nearly three-quarters (72%) expect inflation will hold steady or decline.

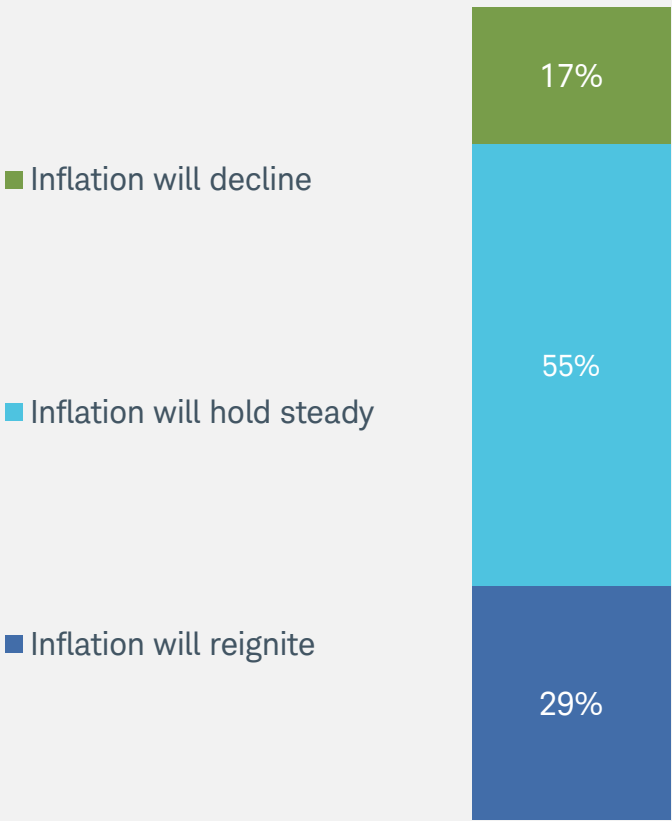
Expected Likelihood of U.S. Recession in 2025

(Single response only; Among Trader Sample)



Expectations for Inflation in Second Half of 2025

(Single response only; Among Trader Sample)

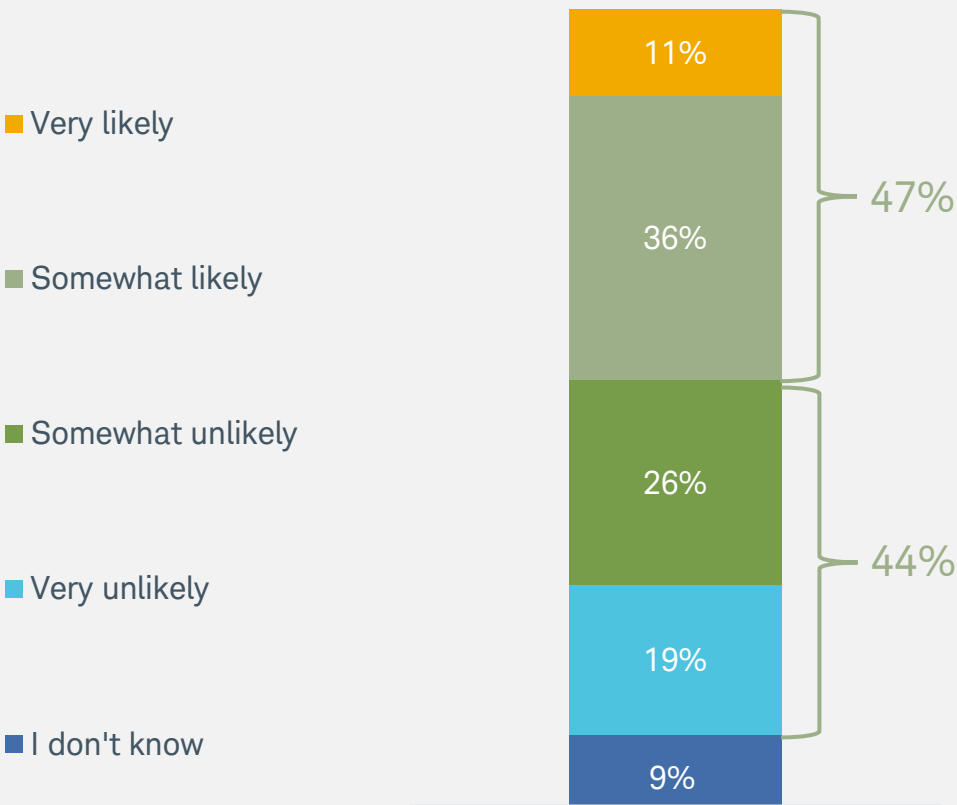


Base = Weighted Total (n=1,323)
QAT_Q325_1. What is the likelihood that the US economy will officially enter a recession in 2025?
QAT_Q325_2. What are your expectations for inflation in the second half of 2025?
Classification: Public

Traders are split on the likelihood of stagflation over the next 12-18 months; most (75%) anticipate modest rate cuts, if any, from the Fed.

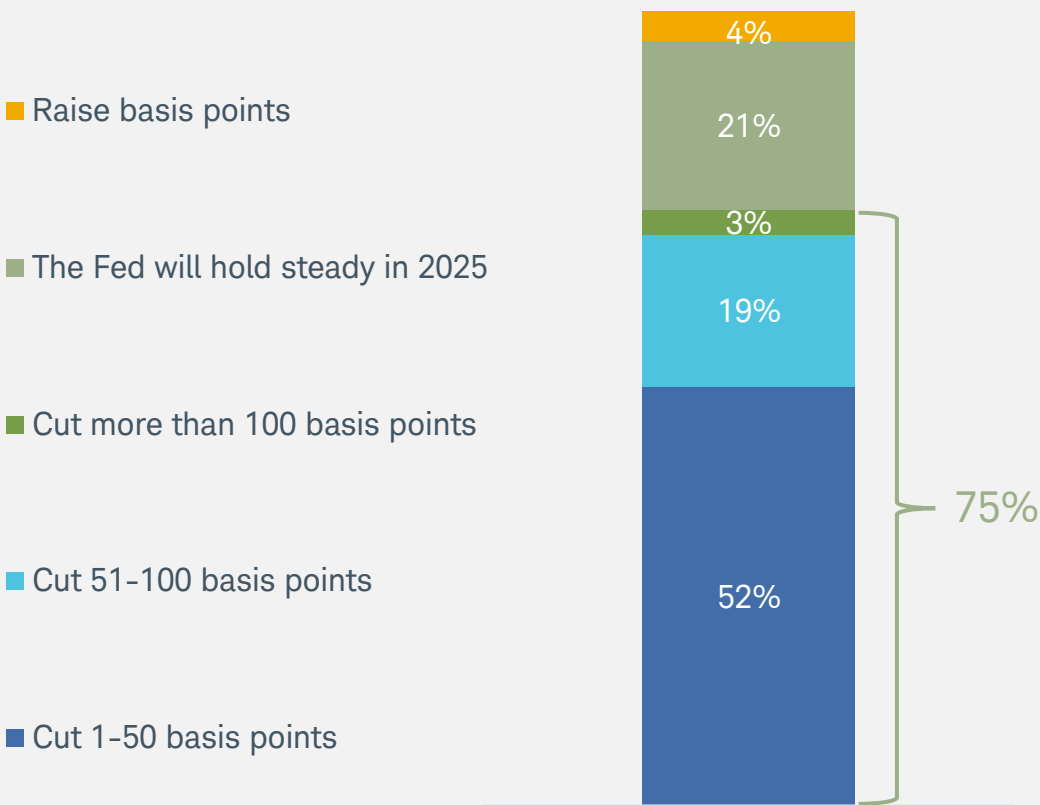
Expected Likelihood of “Stagflation”

(Single response only; Among Trader Sample)



Expectation of Fed Actions in 2025

(Single response only; Among Trader Sample)



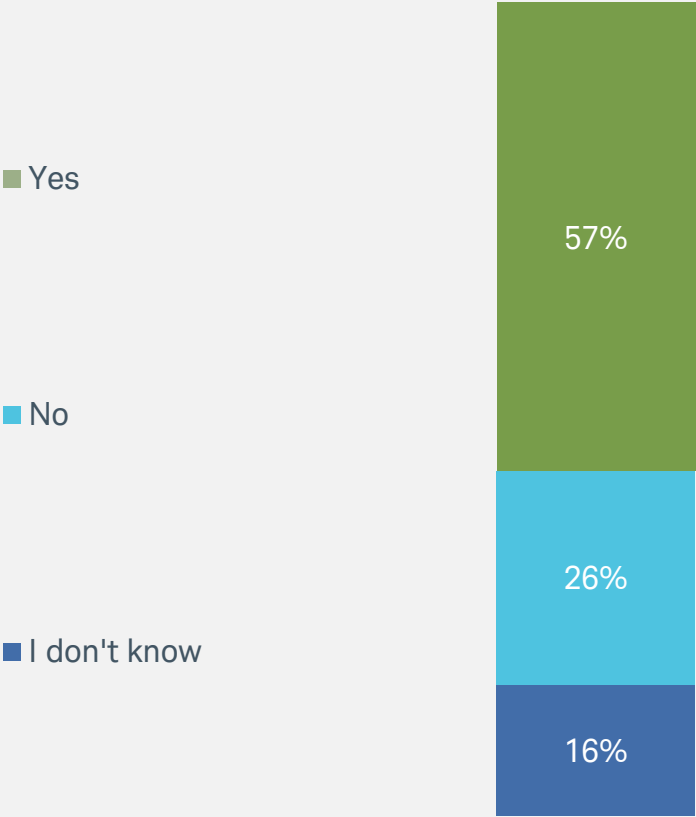
Note: Raise basis points includes raises from 1-100+ basis points

Base = Weighted Total (n=1,323)
QAT_Q325_3. 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?
QAT_Q325_4. What actions do you believe the Fed will take with rates in 2025?
Classification: Public

More than half of traders (57%) feel the market is overvalued, with AI stocks and Mega-Cap Tech stocks cited as the top-most crowded trades.

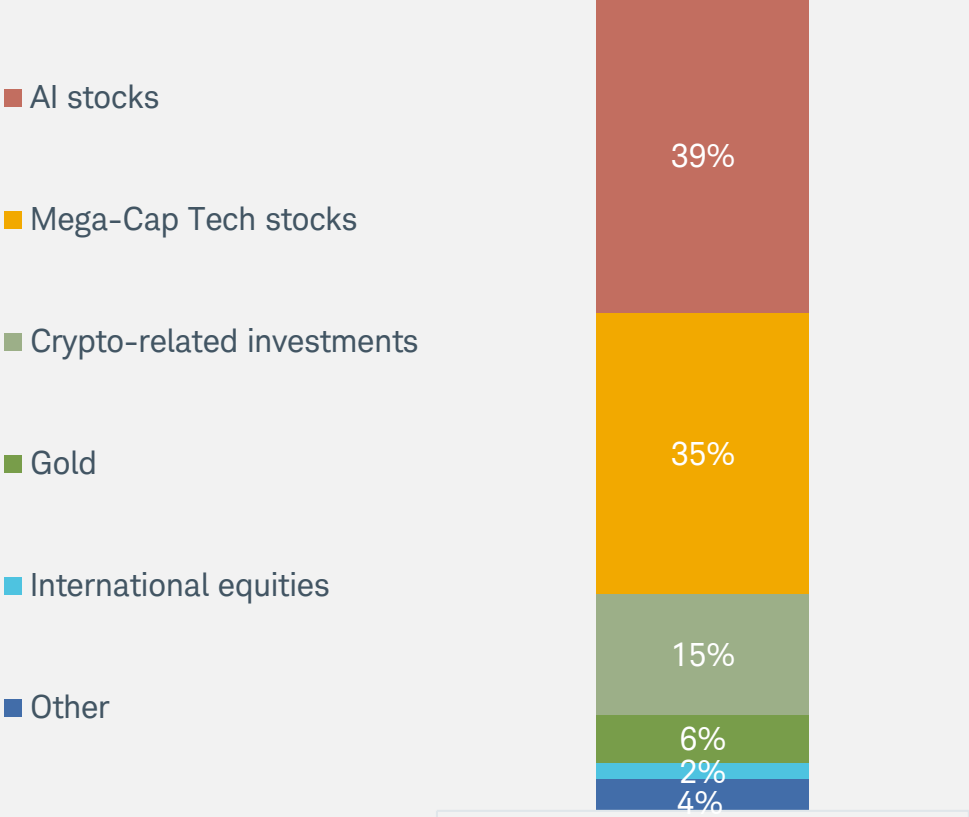
Overvalued Stock Market

(Single response only; Among Trader Sample)



Most Crowded Trade

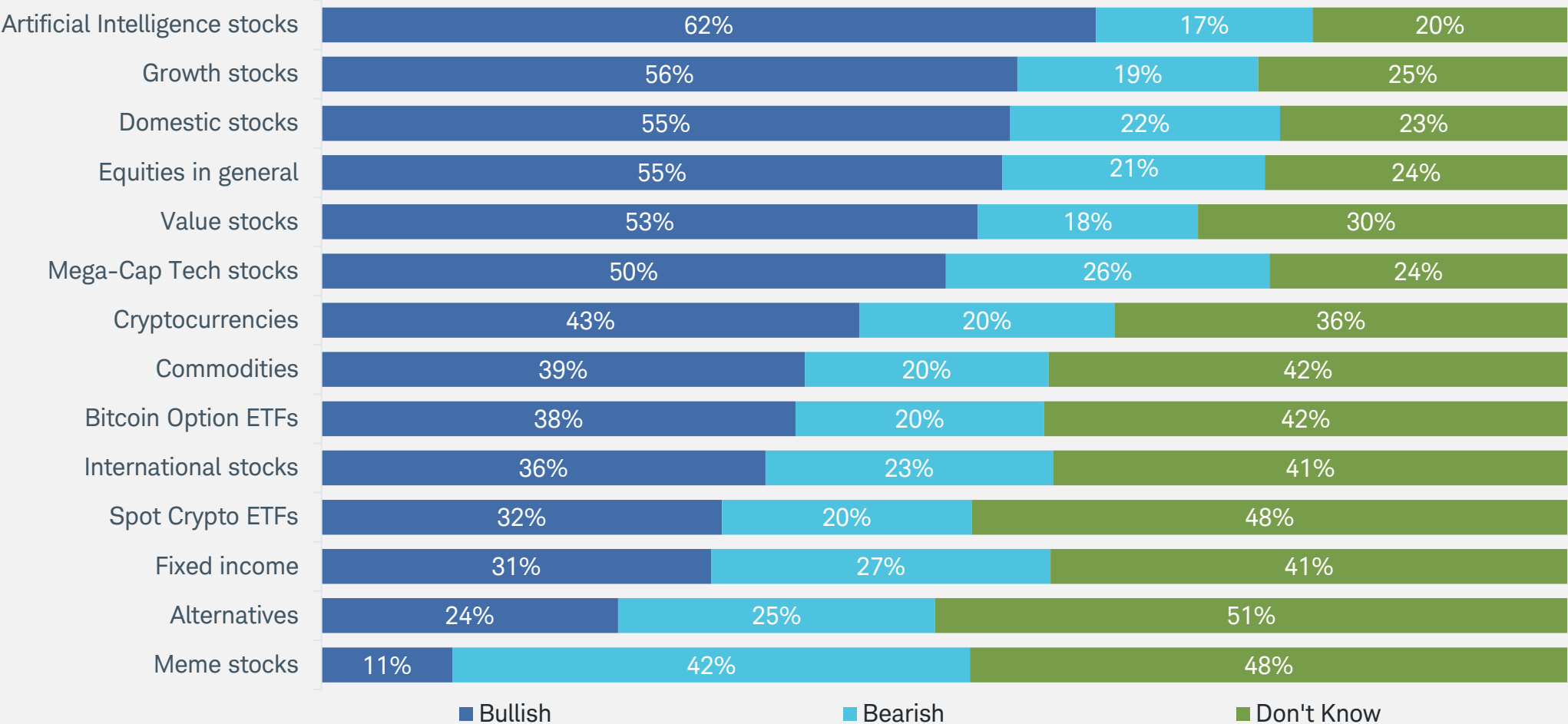
(Single response only; Among Trader Sample)



Base = Weighted Total (n=1,323)
QAT_Q325_5. In your opinion, is the stock market currently overvalued?
QAT_Q325_6. In your opinion, what is the most crowded trade right now?
Classification: Public

Despite a sense that it's a crowded trade, traders are still most bullish on AI, as well as growth, domestic stocks and equities in general in Q3.

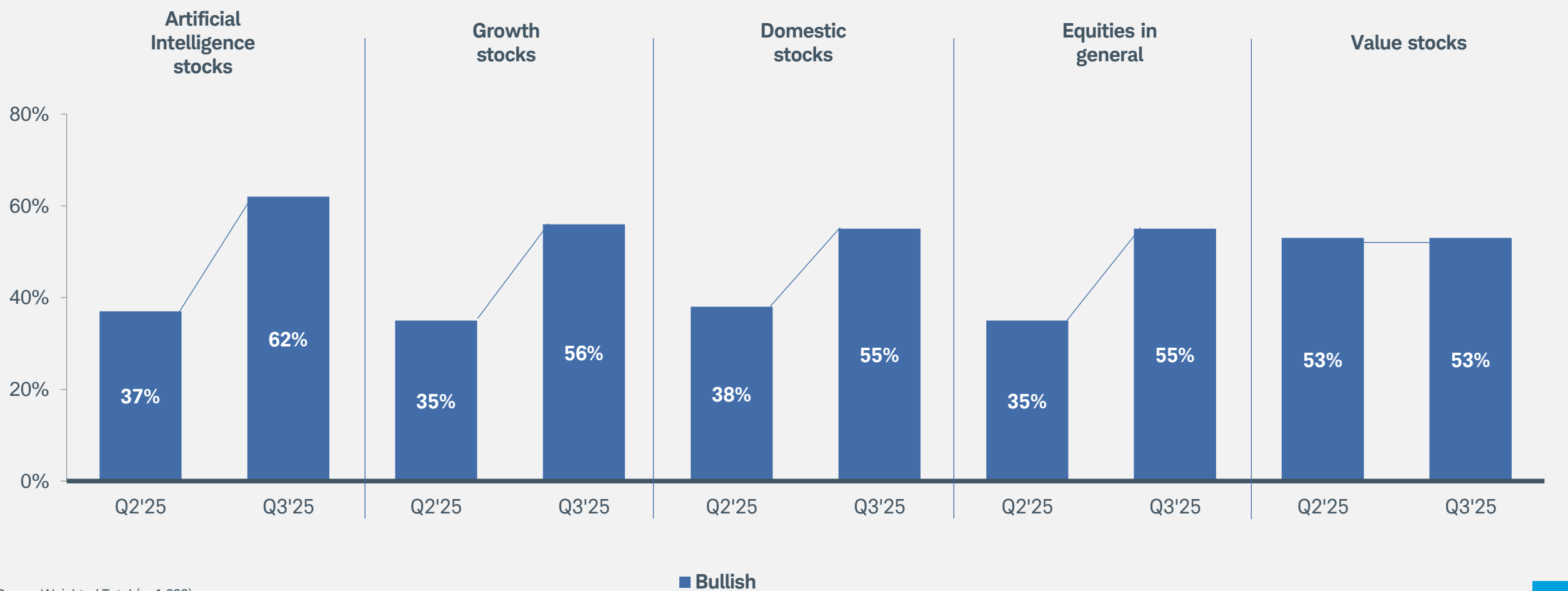
Sentiment Over Next 3 Months
(Single response only; Among Trader Sample)



Base = Weighted Total (n=1,323)
QAT_Q325_7. Are you bullish or bearish on each of the following for the next 3 months?
Classification: Public

Bullishness on AI, growth, domestic stocks and equities in general has boomed quarter-over-quarter while the outlook on value stocks remains flat.

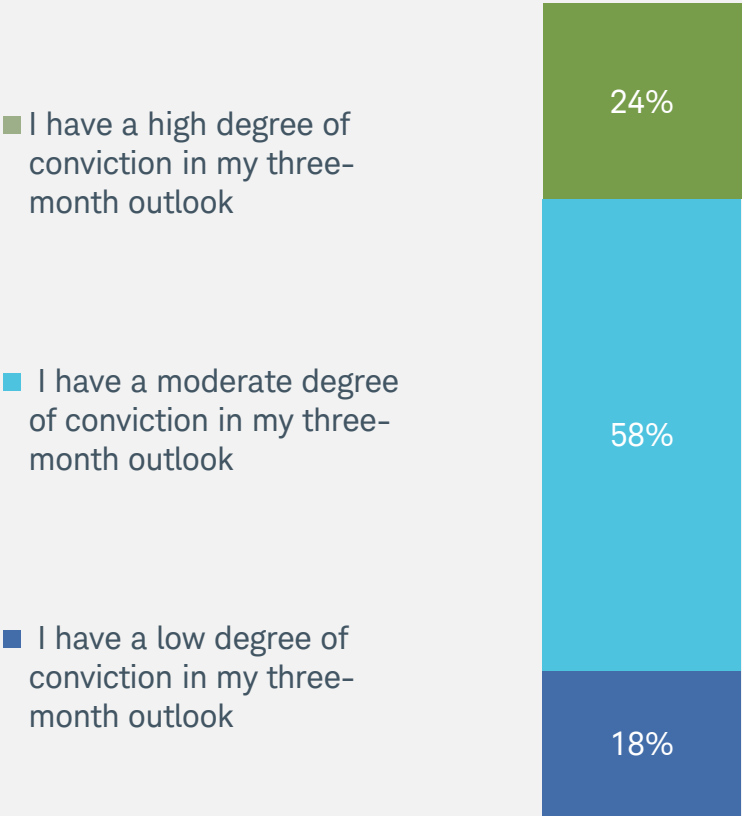
Sentiment Toward Five Most Bullish Investment Vehicles – Q2 vs Q3
(Among Trader Sample)



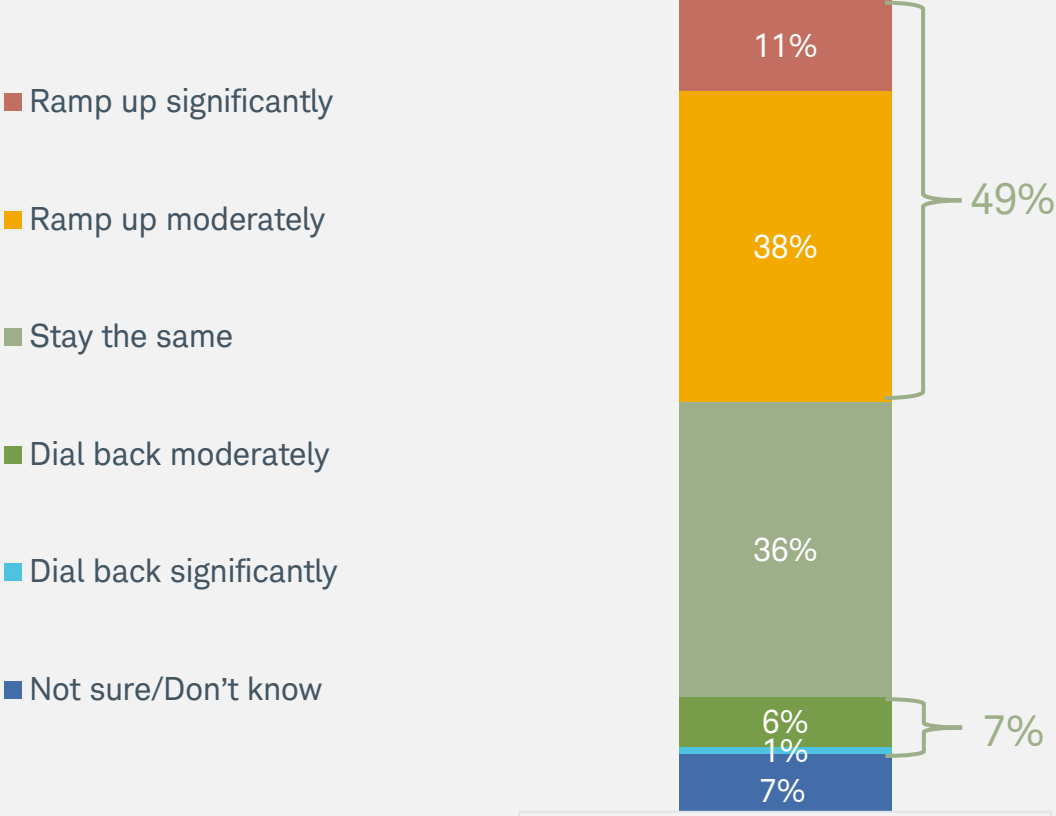
Base = Weighted Total (n=1,323)
QAT_Q325_7. Are you bullish or bearish on each of the following for the next 3 months?

Only one in four (24%) traders has a high degree of conviction in their outlook for Q3 2025 and nearly half expect market volatility to ramp up in the remainder of the year.

Confidence of Market Outlook
(Single response only; Among Trader Sample)



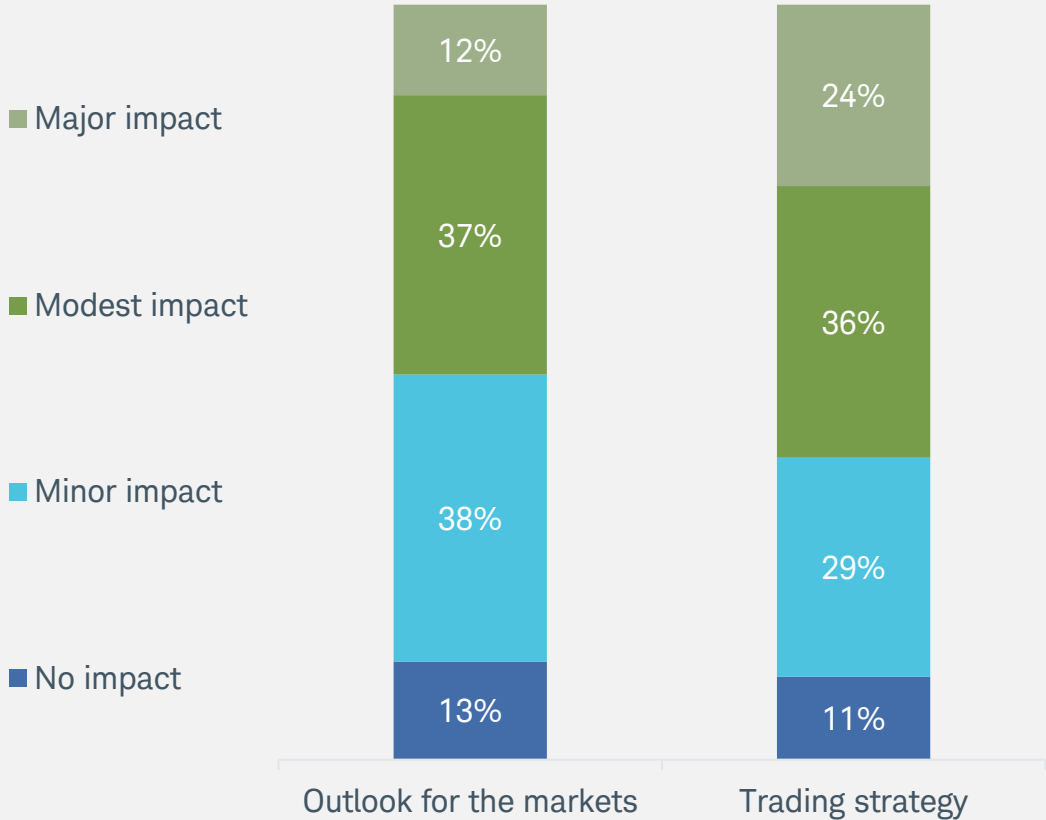
Expectations of Market Volatility
(Single response only; Among Trader Sample)



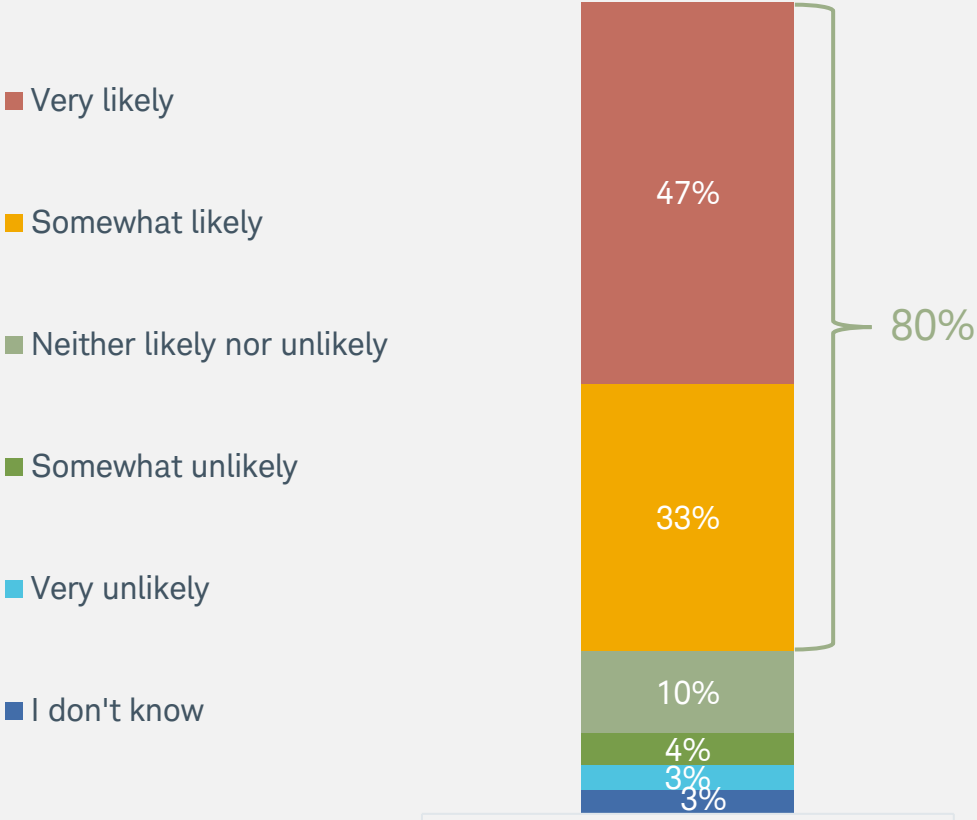
Base = Weighted Total (n=1,323)
QAT_Q325_8. How confident are you about your market outlook for the next quarter, considering the current environment?
QAT_Q325_11. What are your expectations when it comes to market volatility for the remainder of 2025? Market volatility will...
Classification: Public

Should markets dip in Q3, 80% of traders report they'll take it as a buying opportunity.

Impact of Short-Term Market Volatility
(Single response only; Among Trader Sample)



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

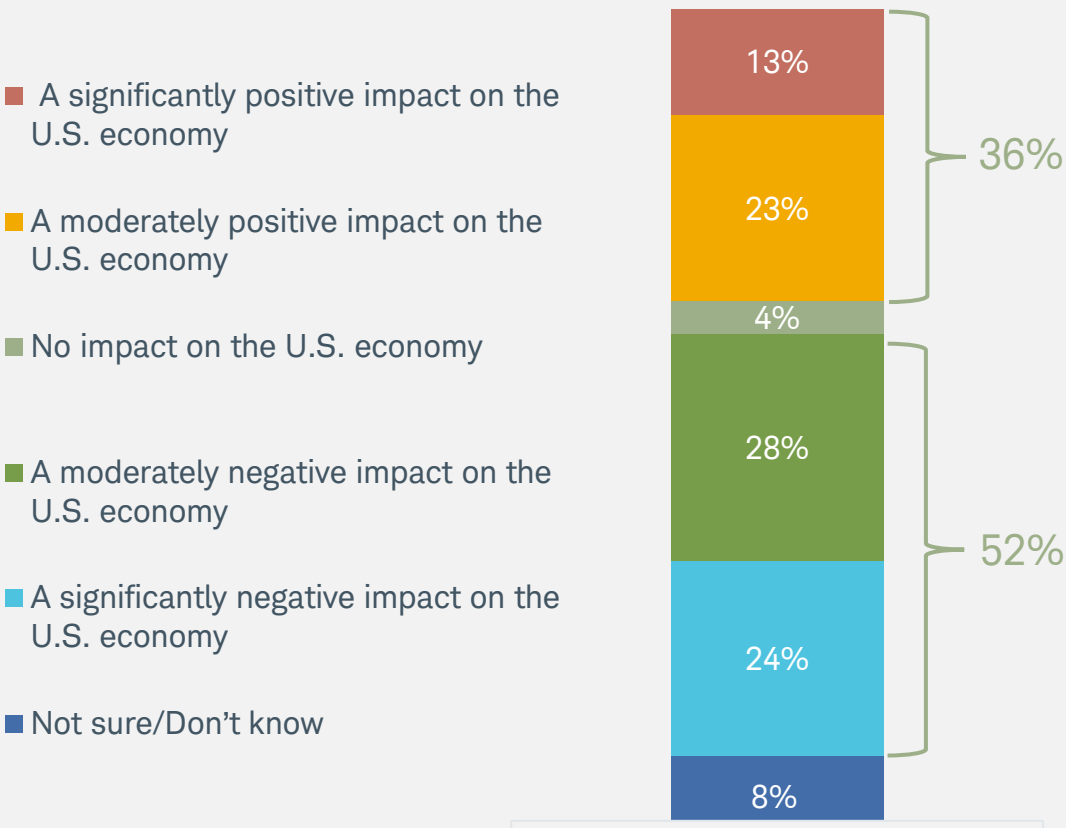


Base = Weighted Total (n=1,323)
QAT_Q325_9. How much does short-term (day-to-day or week-to-week) market volatility impact your outlook for the markets between now and the end of the year?
QAT_Q325_10. How much does short-term (day-to-day or week-to-week) market volatility impact your trading strategy between now and the end of the year?
QAT_Q325_12. How likely are you to “buy the dip” if there are notable market declines in the next three months?

Just over half (52%) of traders feel tariffs will have a negative impact on the U.S. economy and 55% report having traded off of tariff policy developments in recent months.

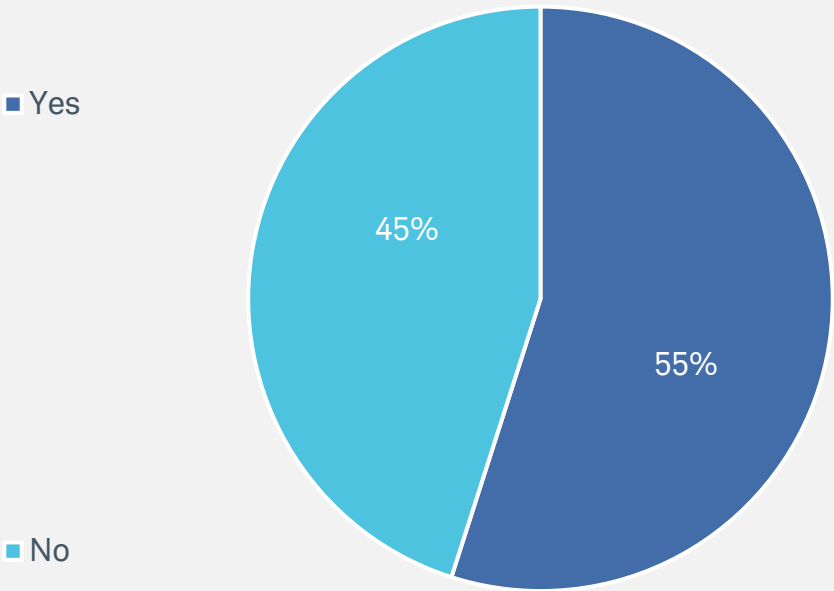
Tariffs Will Have...

(Single response only; Among Trader Sample)



Traded off Tariff Policy Developments

(Single response only; Among Trader Sample)



Base = Weighted Total (n=1,323)
QAT_Q325_13. Which statement best describes your expectations for the administration's tariff policies? Tariffs will have...
QAT_Q325_14. Have you traded off of tariff policy developments in the last 4 months?
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
- Q3 study was fielded July 8th – July 14th, 2025

Sample:

- 1,323 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		Affluence		Active Trader	
Male	1,167 (88%)	UHNW (\$10M+)	17 (1%)	Active	1,323 (100%)
Female	90 (7%)	HNW (\$1M-<\$10M)	277 (21%)	Not Active	0 (0%)
No answer	66 (5%)	Mass Affluent (\$250K-<\$1M)	340 (26%)		
		Core (<\$250K)	689 (52%)		
Life Stage		Financial Consultant Relationship		Employment Status	
Younger Investor (<40)	144 (11%)	Has Financial Consultant	279 (21%)	Employed full-time	459 (35%)
Mid-Life (40-55)	330 (26%)	Does not have Financial Consultant	1,044 (79%)	Employed part-time	25 (2%)
Mature (55+ not retired)	425 (33%)			Self-employed	223 (17%)
Retired	389 (30%)			Retired/Semi-retired	518 (39%)
				Other	35 (3%)
				No answer	63 (5%)