

Q4 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.

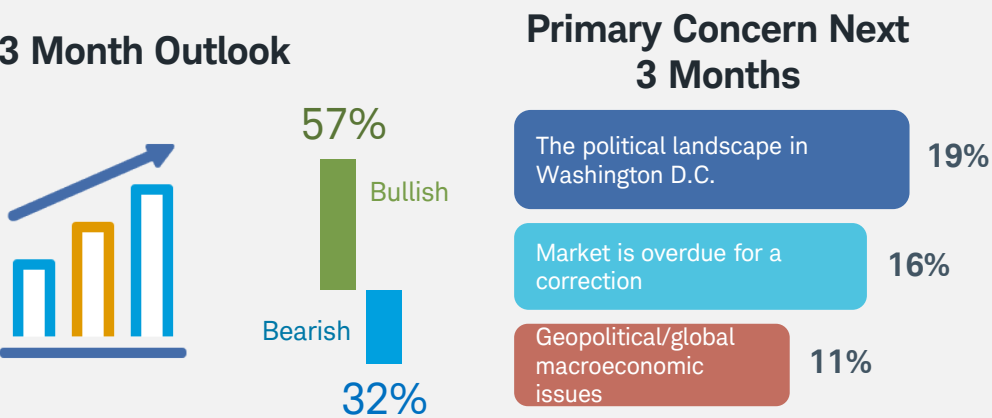
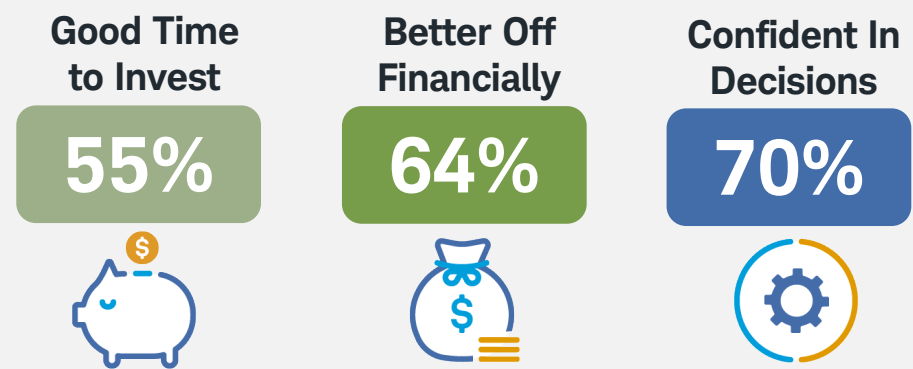
Q4 2025 Trader Sentiment Executive Summary

Trader sentiment remains positive from Q3 to Q4 2025, with 57% of retail traders feeling bullish about market performance this quarter.

Key Q4 Themes

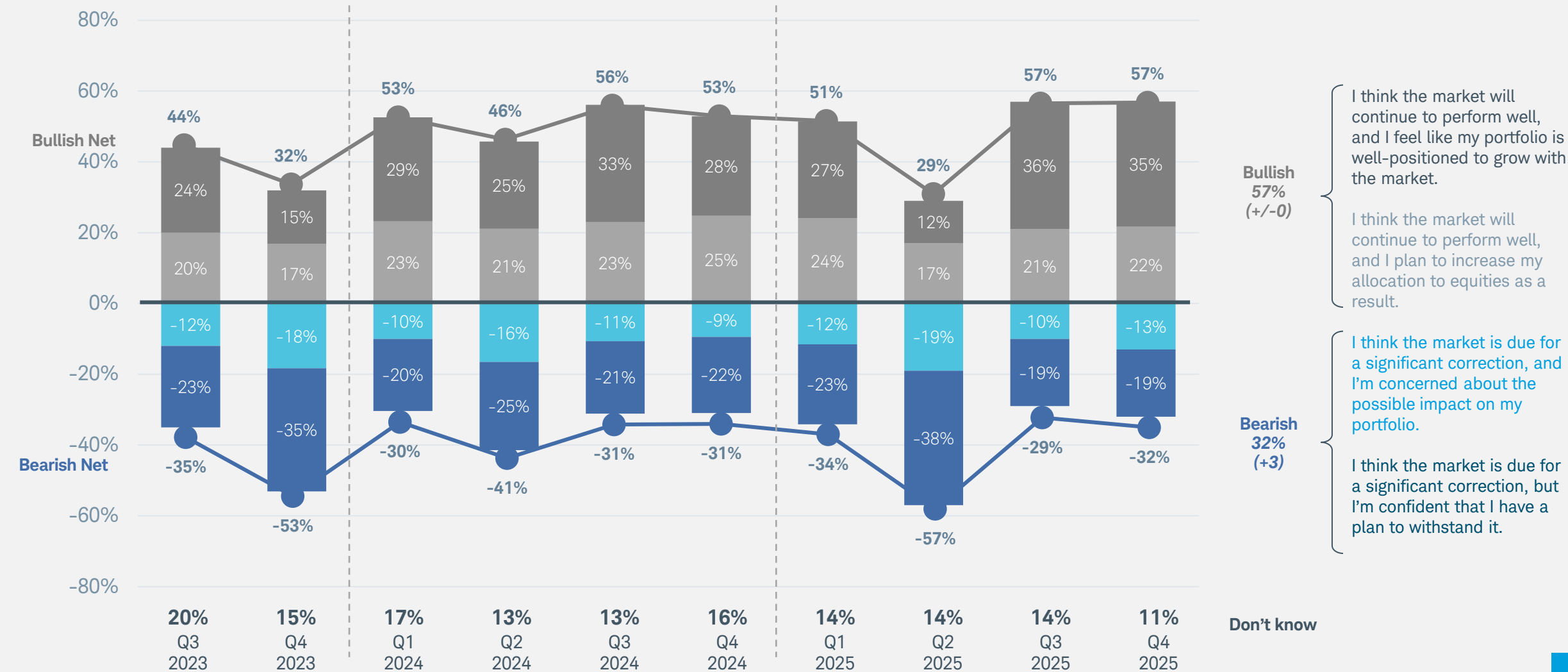
- **The market may be overvalued:** About two-thirds of traders feel the market is currently overvalued as AI stocks remain the “most crowded” trade, followed closely by Mega-Cap Tech stocks.
- **Stagflation worries persist:** More than half of traders report feeling that “stagflation” is at least somewhat likely.
- **A shaky outlook for the labor market:** Most traders expect the labor market to weaken over the next two quarters.
- **Political concerns are still high:** One in five traders (21%) report concerns about a market correction or volatility, though the political landscape in Washington, D.C. remains traders’ top investing concern.
- **Sticking with the classics:** Roughly a quarter of traders report investing in gold (27%) and crypto (23%) due to their market expectations, but more (42%) are moving assets into the stock market and/or engaging in options hedging (32%).

Q4 2025 Trader Sentiment Snapshot



Retail trader sentiment remained positive quarter-over-quarter.

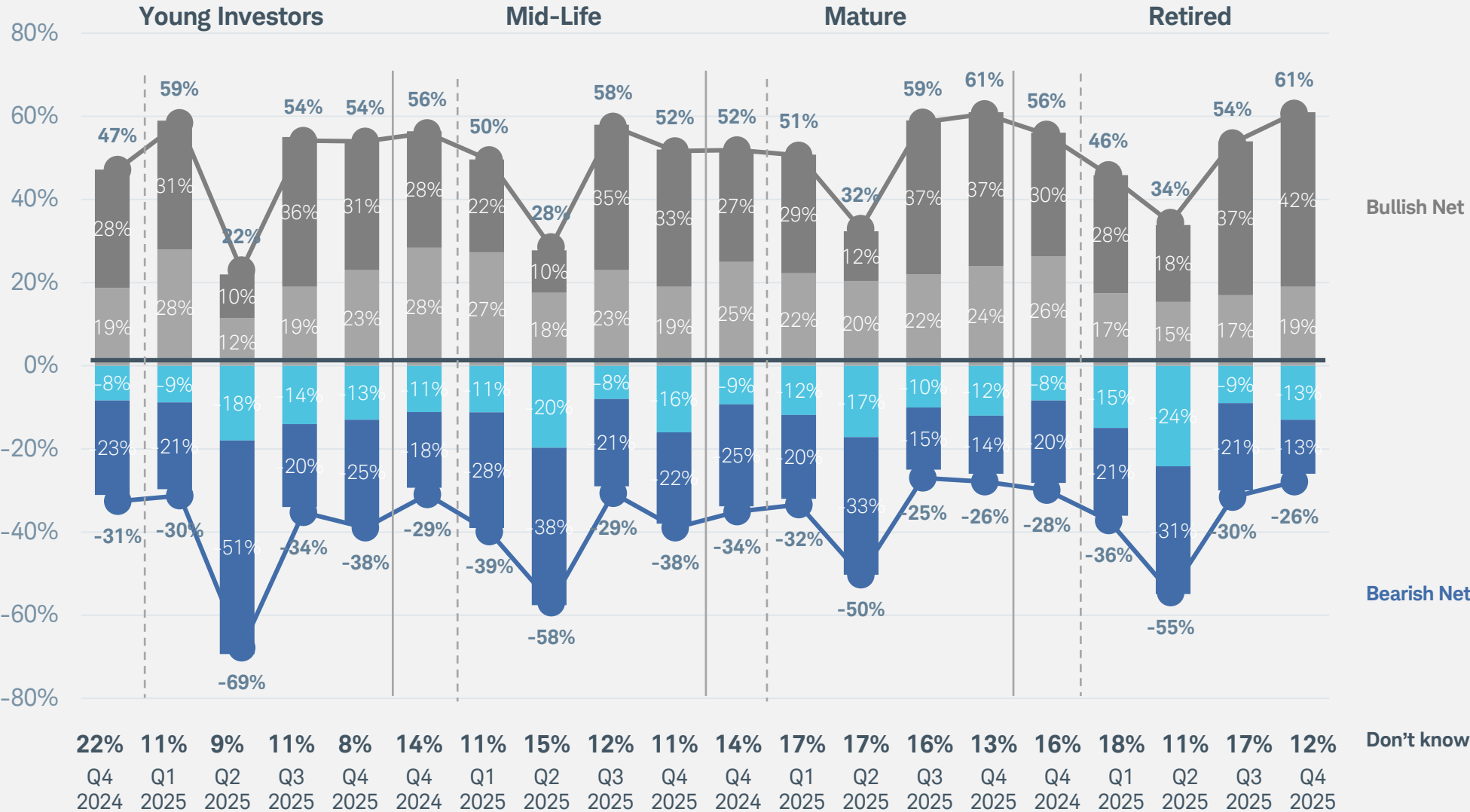
Outlook For U.S. Stock Market (Single response only; Among Trader Sample)



Base = Weighted Total (n=1,070)
Q6. Thinking about the next 3 months, which statement best describes your outlook for the U.S. stock market?
Classification: Public

A majority of traders at every life stage are bullish, but bullishness is highest among the older and retired traders.

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.

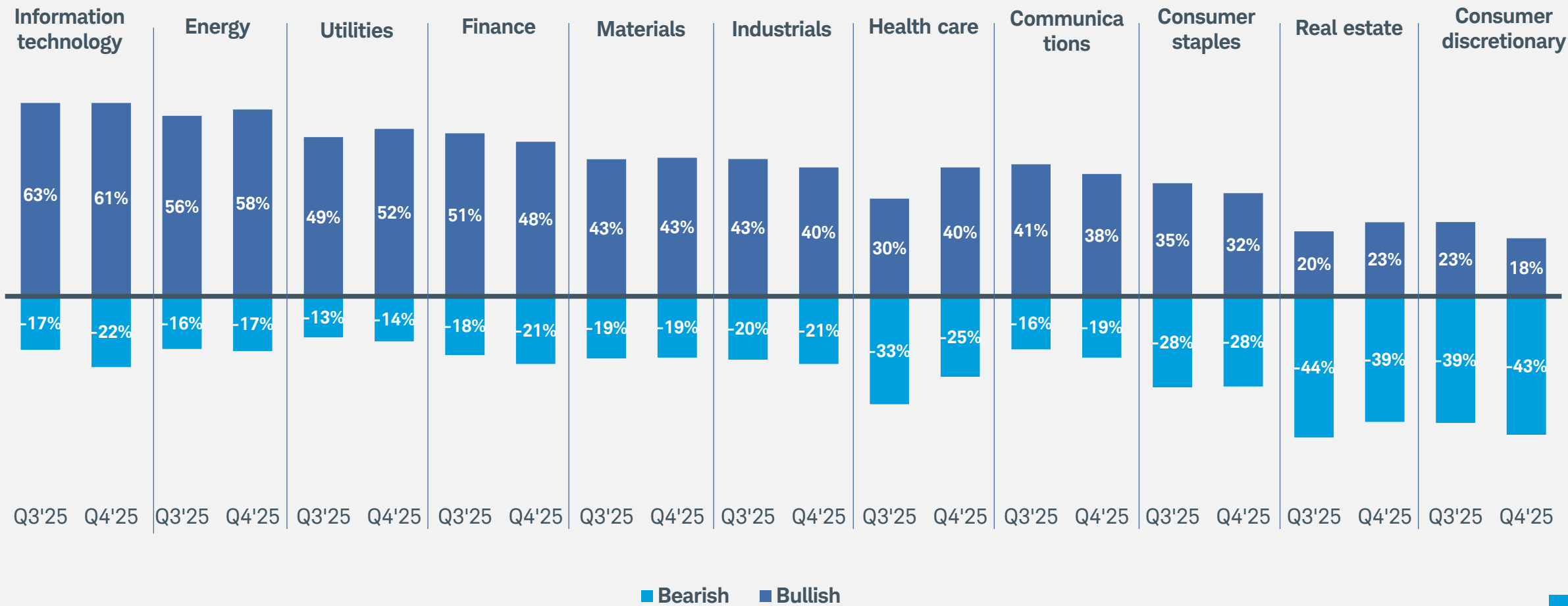
I think the market will continue to perform well, and I plan to increase my allocation to equities as a result.

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.

Sentiment was mostly unchanged across sectors with the exception of Health care, which saw a 10% jump in bullishness in Q4.

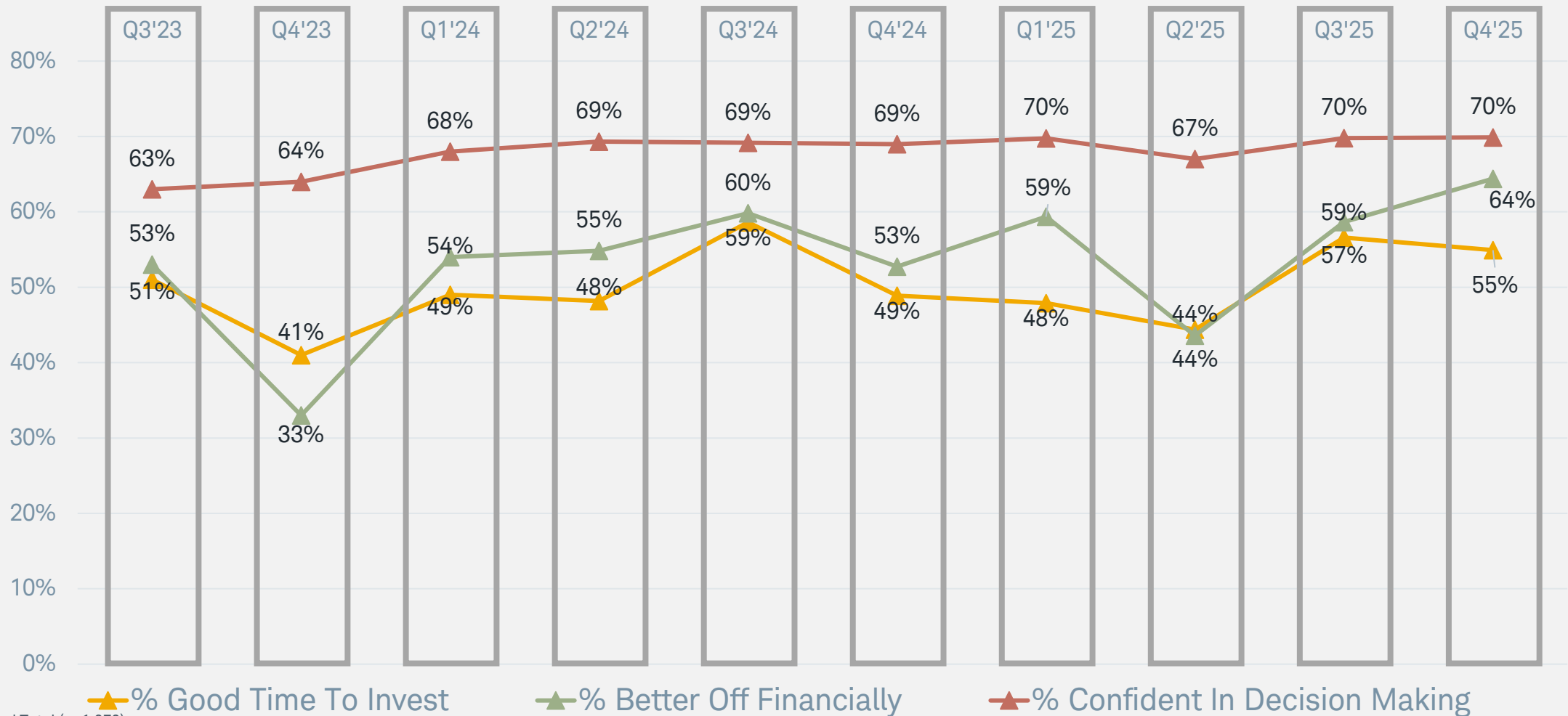
Sector Sentiment Q3'25 vs Q4'25
(Among Trader Sample)



Base = Weighted Total (n=1,070)
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, and 64% of traders report being better off financially compared to one year ago – a new high.

Trader Confidence Trends
(Among Trader Sample)



Base = Weighted Total (n=1,070)
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?

One in five traders (21%) report concerns about a market correction or volatility, though the political landscape in Washington, D.C. remains traders' top investing concern.

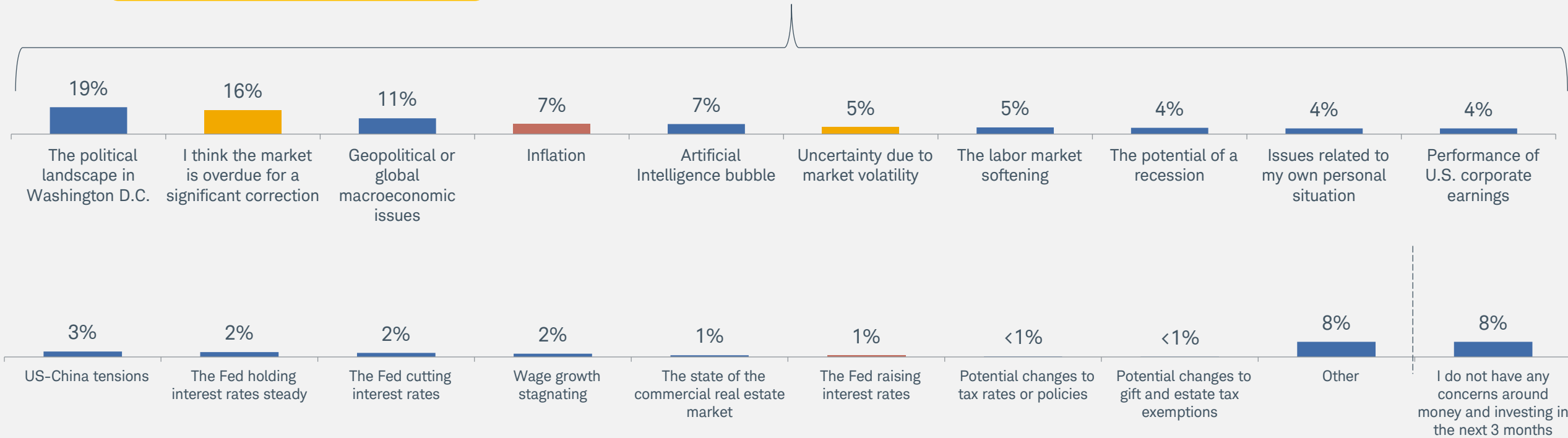
Primary Concern About Investing

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



21% Correction / Market Volatility

Note: Percentages based among those with a concern



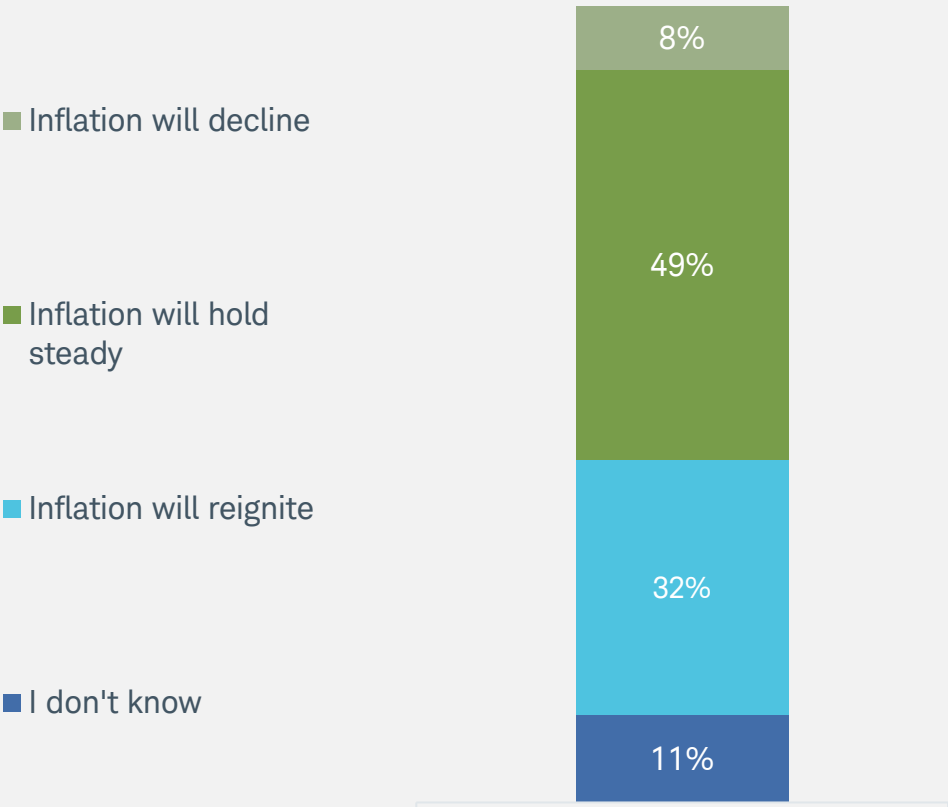
Base = Weighted Total (n=1,070)
Q7. What is your primary concern around money and investing within the next 3 months?

Q4 **Trader Ad Hoc Topics**

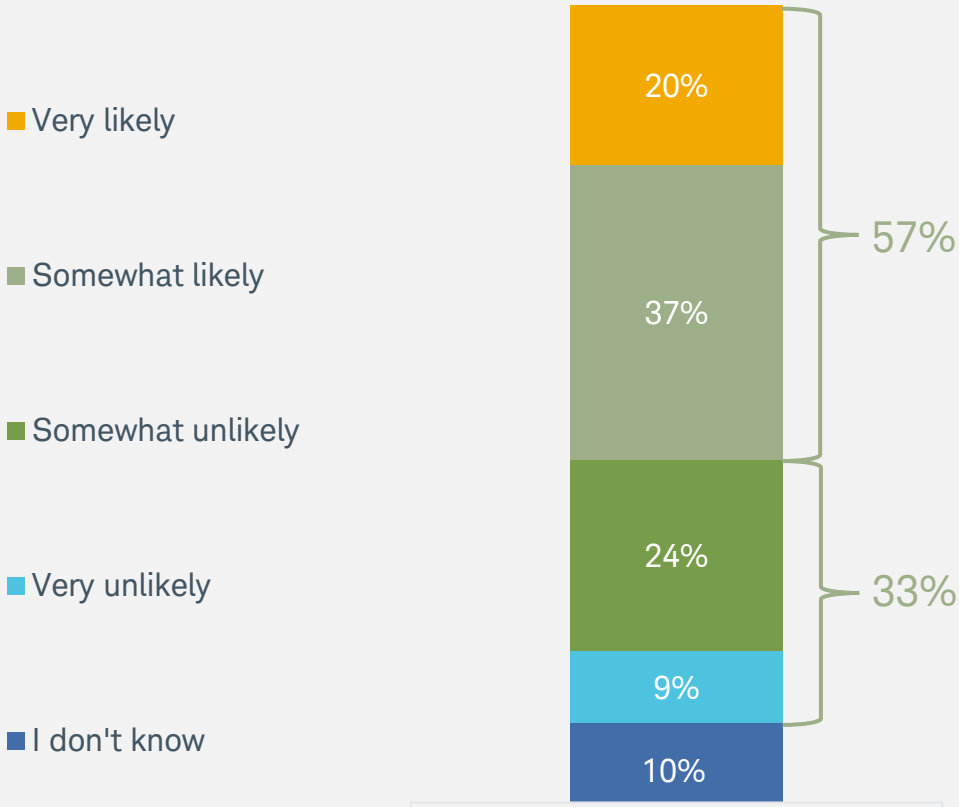
- Economic/Market Outlook
 - Expectations for Inflation
 - “Stagflation”, Market Confidence, Tariffs
 - Overvalued Market, Fed Actions, Labor Market
- Trading Trends and Landscape
 - Bullish or Bearish
 - Impact of Trading Strategy
 - Risk Appetite and Crowded Trade

A majority of traders (57%) are optimistic that inflation will hold steady or begin to decline, although the same number (57%) see stagflation as likely within the next 18 months – a 10% increase from Q3 (47%).

Expectations for Inflation
(Single response only; Among Trader Sample)



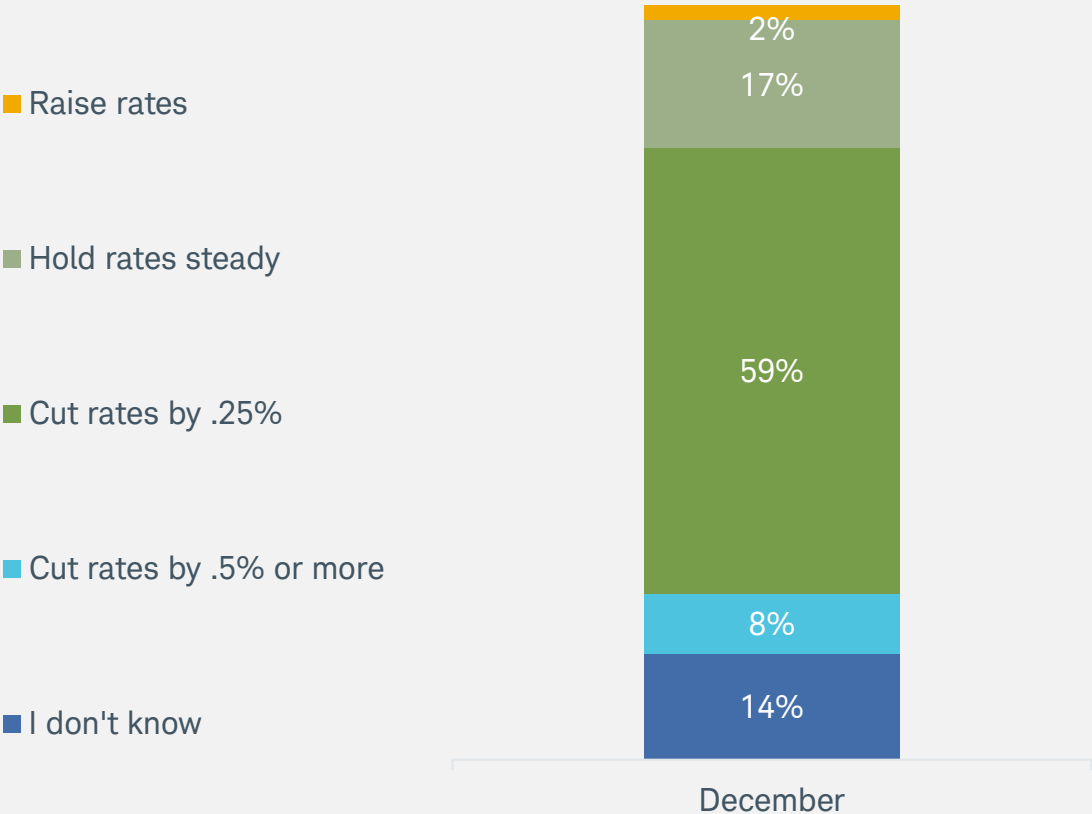
Expected Likelihood of "Stagflation"
(Single response only; Among Trader Sample)



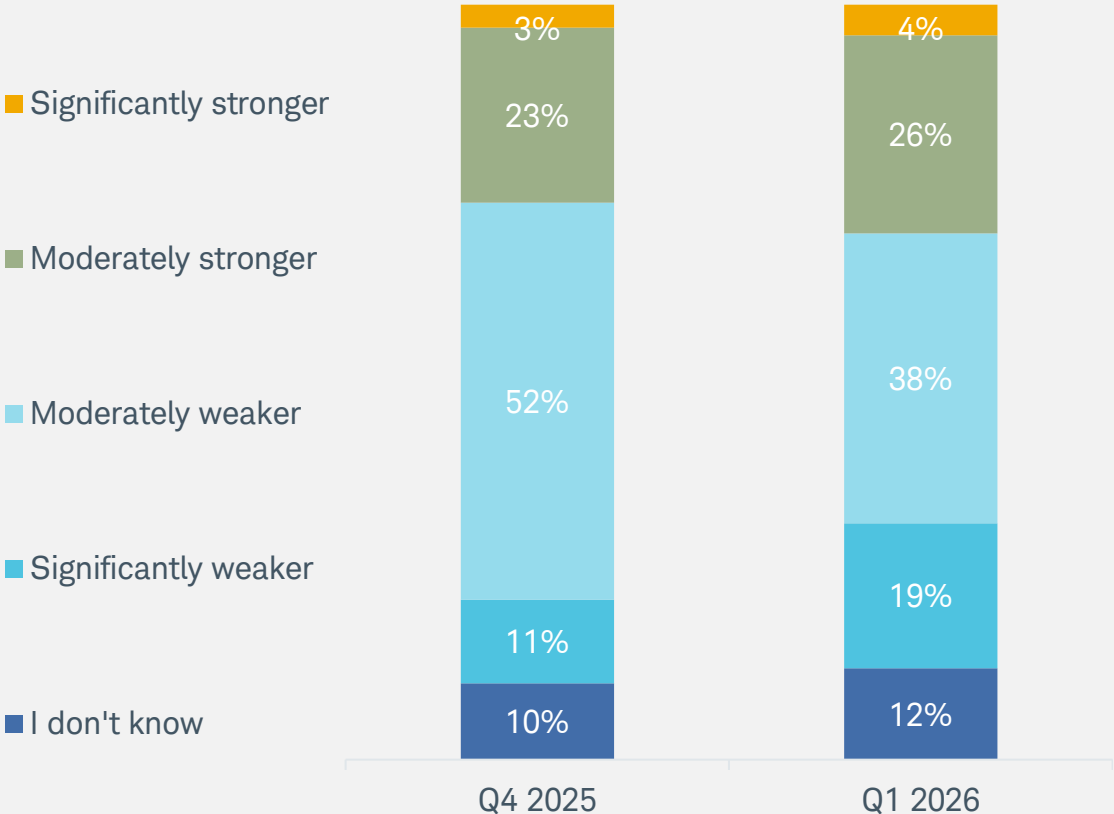
Base = Weighted Total (n=1,070)
QAT_Q425_1. What are your expectations for inflation in the next six months?
QAT_Q425_2. How likely is it that the U.S. will see "stagflation" (high inflation, stagnant economic growth, and elevated unemployment) in the next 12-18 months?
Classification: Public

A majority of traders (59%) expect a 25 basis-point rate cut from the Fed before the end of the year; Most expect the labor market to weaken over the next two quarters (63% in Q4, 57% in Q1 '26).

Expectation From the Fed
(Single response only; Among Trader Sample)



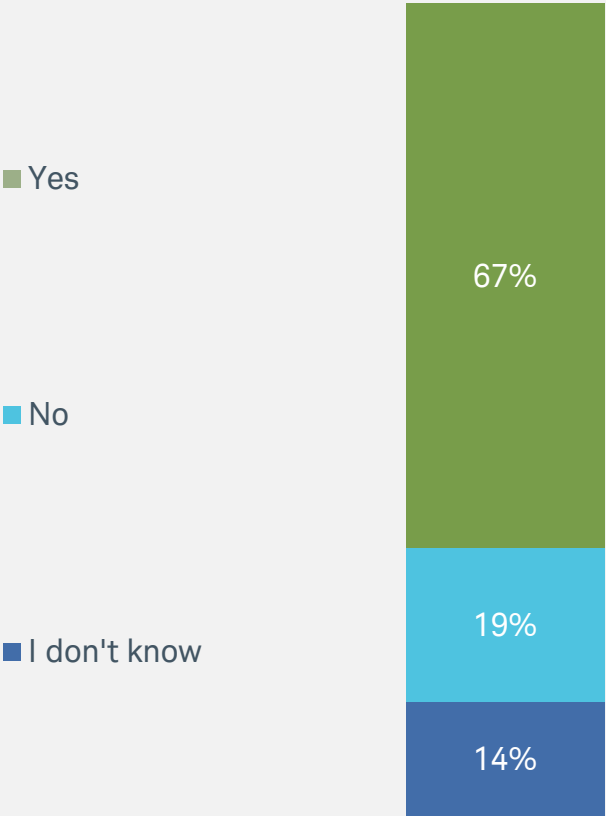
Expectation of Labor Market Performance
(Single response only; Among Trader Sample)



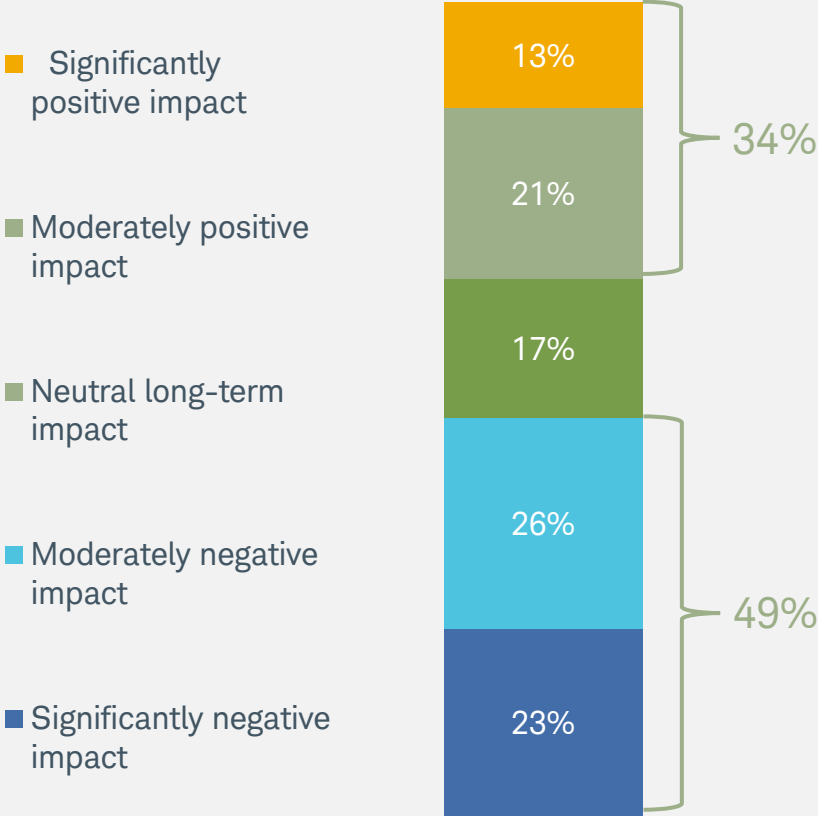
Base = Weighted Total (n=1,070)
QAT_Q425_5. What actions do you expect from the Fed between now and the end of the year?
QAT_Q425_6. How do you expect the U.S. labor market to perform in Q4 2025 and Q1 2026?
Classification: Public

Two-thirds of traders (67%) see the market as currently overvalued; Nearly half expect a long-term negative impact from tariffs.

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

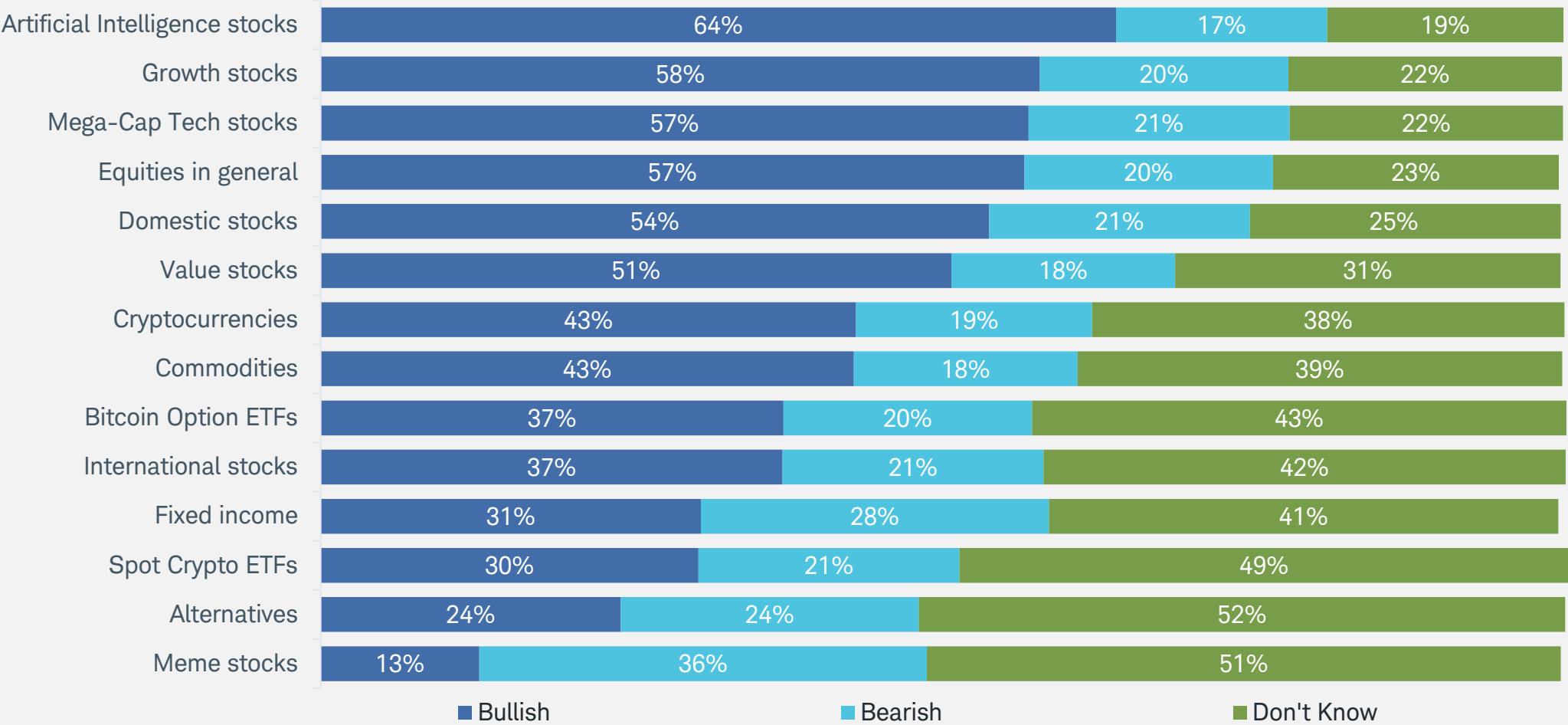


Expectations for Long-Term
Impact of Tariff Policies
(Single response only; Among Trader Sample)



Over the next quarter, traders are most bullish on AI stocks, growth stocks, and mega-cap tech stocks.

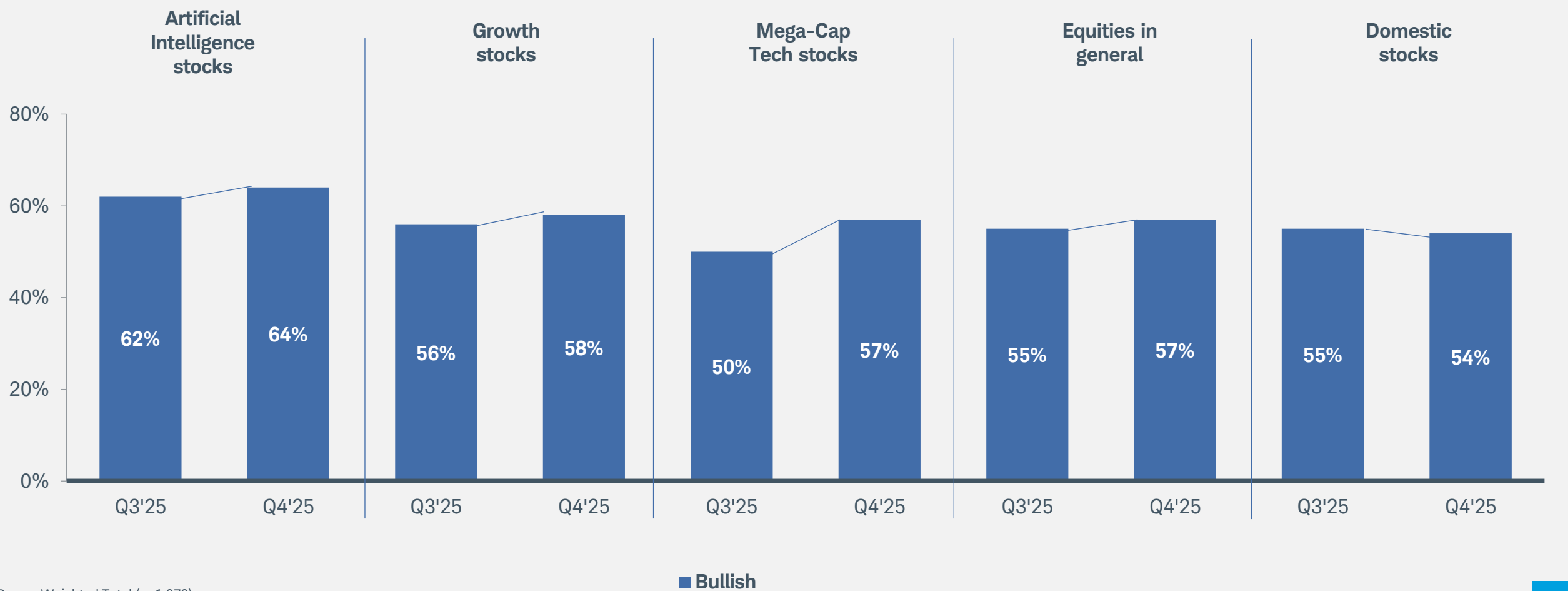
Sentiment Over Next 3 Months
(Single response only; Among Trader Sample)



Base = Weighted Total (n=1,070)
QAT_Q425_8. Are you bullish or bearish on each of the following for the next 3 months?
Classification: Public

Sentiment toward the five most bullish investment vehicles quarter-over-quarter has remained consistent; mega-cap tech stocks saw the biggest jump in bullishness (7% increase).

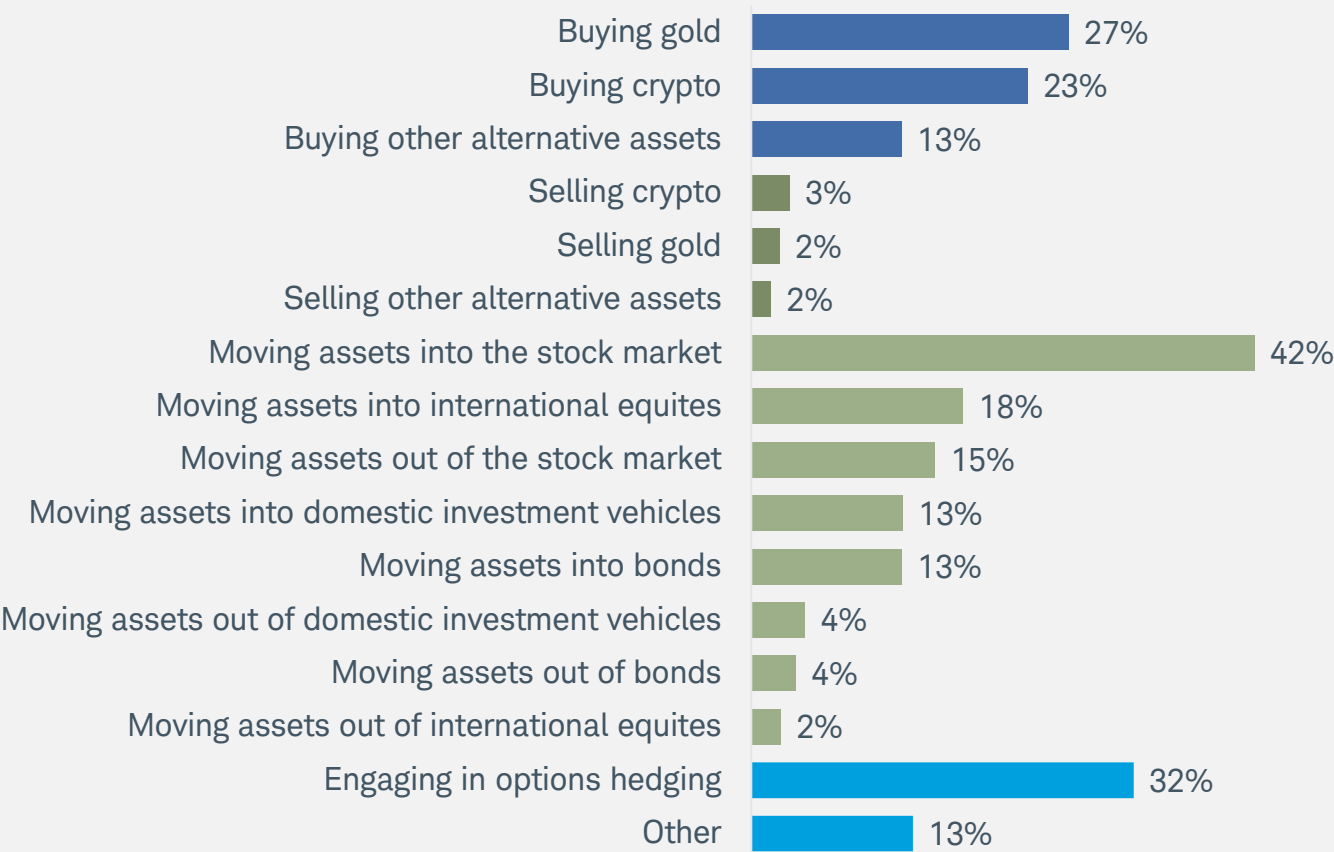
Sentiment Toward Five Most Bullish Investment Vehicles – Q3 vs Q4
(Among Trader Sample)



Base = Weighted Total (n=1,070)
QAT_Q425_8. Are you bullish or bearish on each of the following for the next 3 months?

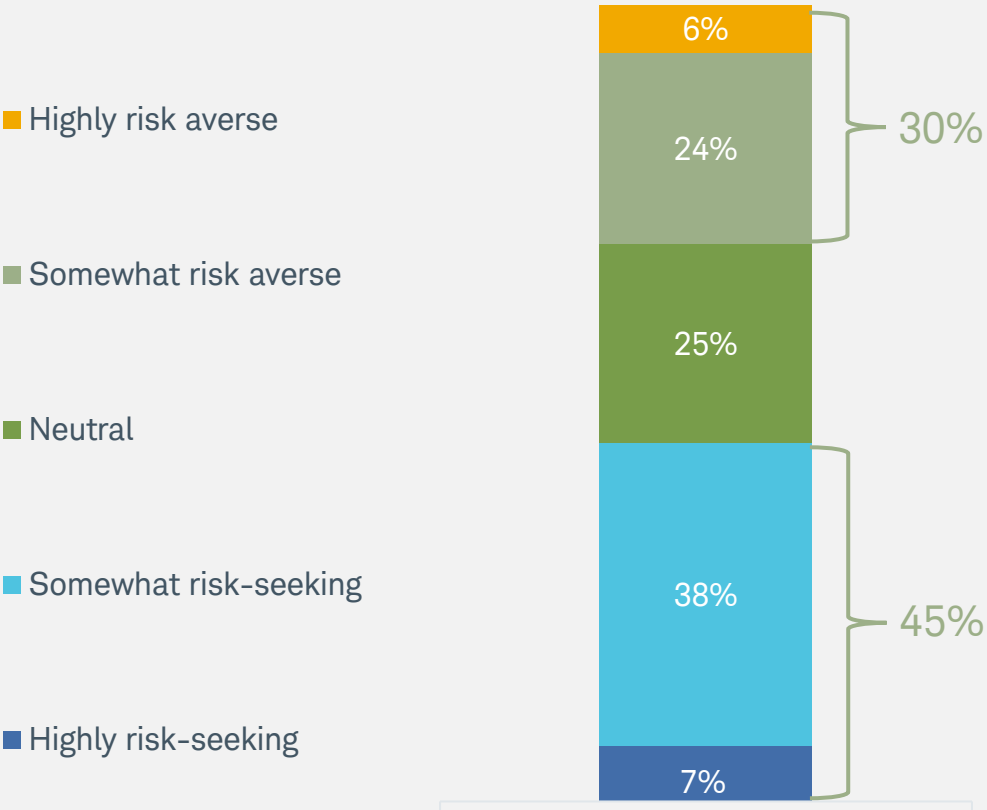
Most traders are moving assets into the stock market and/or engaging in options hedging (32%), while roughly a quarter are investing in gold (27%) and crypto (23%).

Expectations Impacting Trading Approach
(Multiple responses allowed; Among Trader Sample)

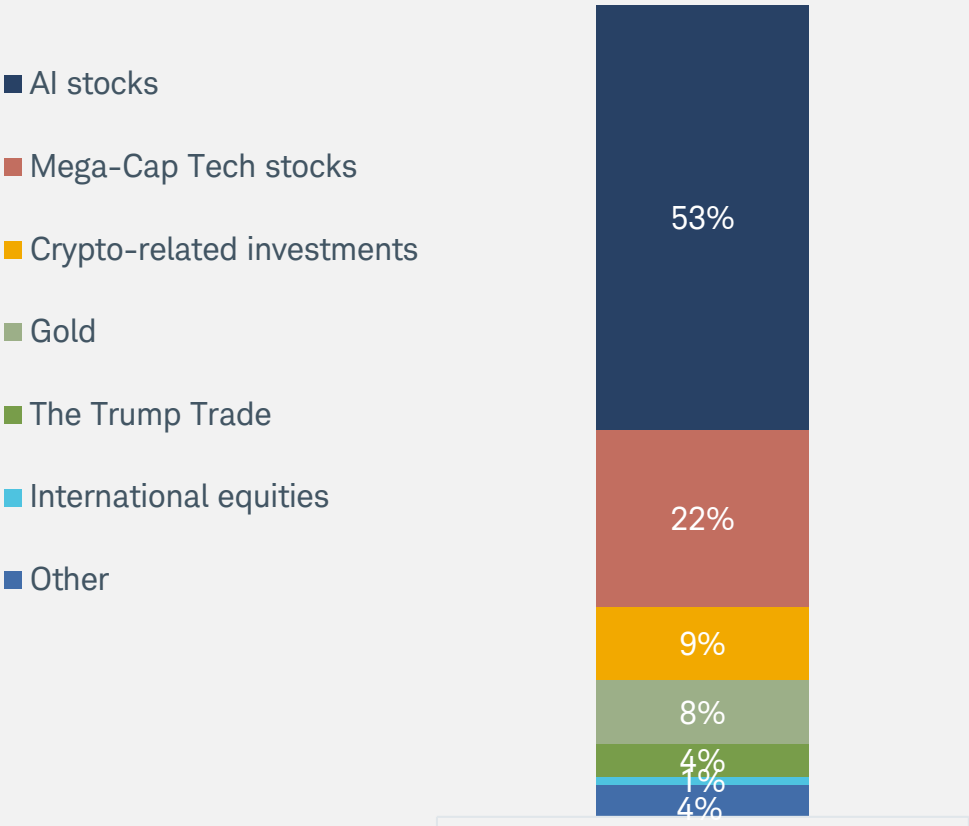


More traders describe themselves as risk-seeking (45%) than risk-averse (30%); A majority (53%) see AI stocks as the “most crowded” trade right now.

Risk Appetite Descriptor
(Single response only; Among Trader Sample)



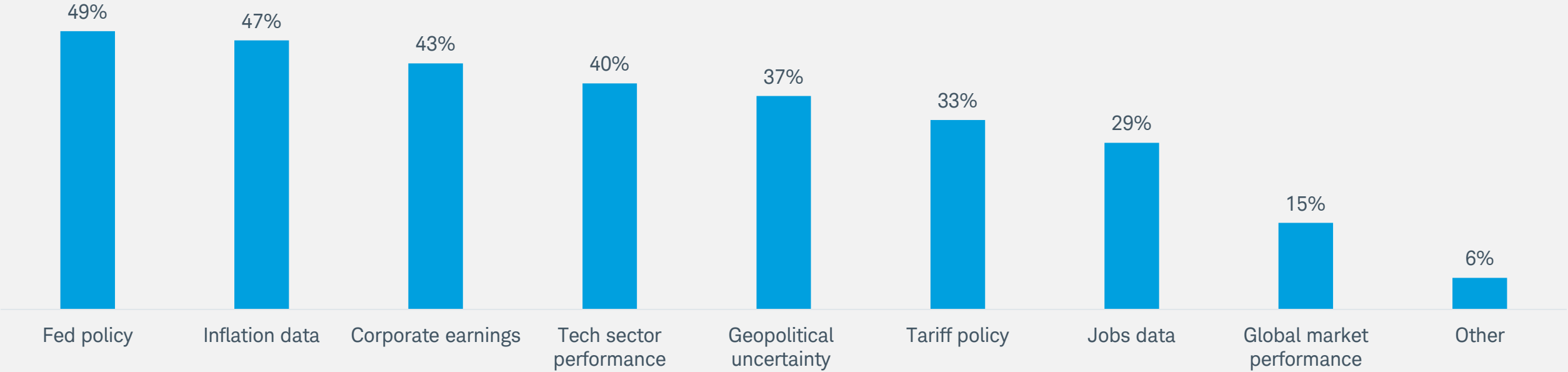
Most Crowded Trade
(Single response only; Among Trader Sample)



Base = Weighted Total (n=1,070)
QAT_Q425_10. Which of the following best describes your risk appetite through the end of the year?
QAT_Q425_11. In your opinion, what is the most crowded trade right now?

Traders say Fed policy has the greatest impact on their trading strategy followed by inflation data, corporate earnings, and the performance of the tech sector.

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



Base = Weighted Total (n=1,070)
QAT_Q425_12. From among the issues listed below, please rank your top three according to which is having the greatest impact on your trading strategy.
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
- Q4 study was fielded September 30th – October 10th, 2025

Sample:

- 1,070 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	923 (86%)	UHNW (\$10M+)	11 (1%)	Active	1,070 (100%)
Female	96 (9%)	HNW (\$1M-<\$10M)	231 (22%)	Not Active	0 (0%)
No answer	51 (5%)	Mass Affluent (\$250K-<\$1M)	288 (27%)		
		Core (<\$250K)	540 (50%)		
Life Stage		Financial Consultant Relationship		Employment Status	
Younger Investor (<40)	109 (11%)	Has Financial Consultant	221 (21%)	Employed full-time	354 (33%)
Mid-Life (40-55)	251 (24%)	Does not have Financial Consultant	849 (79%)	Employed part-time	34 (3%)
Mature (55+ not retired)	357 (34%)			Self-employed	175 (16%)
Retired	319 (31%)			Retired/Semi-retired	424 (40%)
				Other	33 (3%)
				No answer	50 (5%)