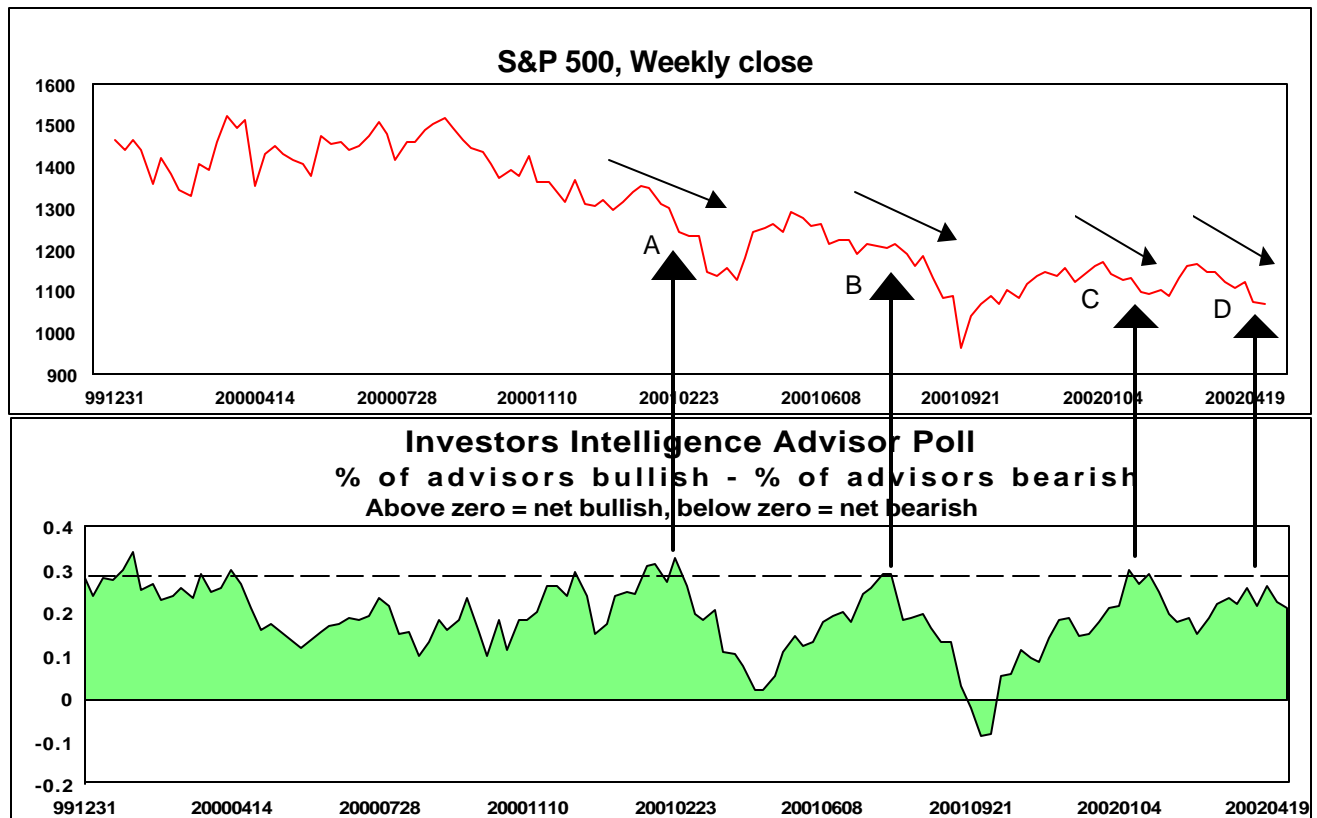


Investment Advisors still net bullish...is this a warning?

by Howard Spieler



The chart above shows the net difference between advisors who are “bullish” or “bearish” (those who responded “correction” were omitted), as polled by the Investors Intelligence sentiment newsletter. Generally speaking, when advisors are bullish (for purposes of this chart, a reading above zero is bullish), the market has a tendency to weaken. 30% is the “very bullish” response that has served a warning signal in the past. Exemplified by points A, B, and C on the top chart, the last three times that more than 30% of advisors were bullish rather than bearish, the S&P 500 proceeded to decline.