Fear & Greed Index

Friday, May 5, 2017

The **Fear & Greed Index** readings for **May 5** are shown on the following pages. The overall current score is: **47** – **Neutral.** (**Thursday: 45 – Neutral**)

eResearch Corporation is pleased to provide a reading of CNNMoney's Fear & Greed Index.

Investors are driven by two emotions: fear and greed. Too much fear can sink stocks well below where they should be. When investors get greedy, they can bid up stock prices way too far.

So, what emotion is driving the market now? CNNMoney's Fear & Greed index gives the answer.

CNNMoney looks at 7 Indicators:

- **Market Momentum:** The S&P 500 (**SPX**) versus its 125-day moving average

- **Market Volatility:** The VIX (**VIX**), which measures volatility

- **Safe Haven Demand:** The difference in returns for stocks versus Treasuries

- **Junk Bond Demand:** The spread between yields on investment grade bonds and junk bonds

- **Stock Price Breadth:** The volume of shares trading in stocks on the rise versus those declining

- **Stock Price Strength:** The number of stocks hitting 52-week highs and lows on the New York Stock Exchange

- **Put and Call Options:** The put/call ratio, which compares the trading volume of bullish call options relative to the trading volume of bearish put options

Each Indicator is analyzed to see how far it has veered from its average relative to how far it normally veers. Each Indicator is rated on a scale from 0 - 100. The higher the reading, the greedier investors are being; 50 is neutral.

Then all the Indicators are put together, equally weighted, for a final index reading.

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Fear & Greed Index

Key:

Status	Reading
Extreme Fear	0-25
Fear	26-44
Neutral	45-55
Greed	56-74
Extreme Greed	75-100

Readings: Index   (see 3-year Graph at end)

Date	Status	Reading	Week Ago	Month Ago	Year Ago
30-Mar-17	Fear	F-43	F-30	G-64	G-70
31-Mar-17	Neutral	N-47	F-30	EG-80	G-73
3-Apr-17	Neutral	N-46	F-29	G-74	EG-77
4-Apr-17	Neutral	N-46	F-34	G-74	G-74
5-Apr-17	Fear	F-43	F-34	G-69	G-69
6-Apr-17	Fear	F-43	F-43	G-70	EG-76
7-Apr-17	Fear	F-40	N-47	G-62	G-68
10-Apr-17	Fear	F-36	N-46	G-65	G-68
17-Apr-17	Fear	F-31	F-36	N-53	G-71
18-Apr-17	Fear	F-30	F-31	N-45	G-74
19-Apr-17	Fear	F-30	F-28	F-36	EG-75
20-Apr-17	Fear	F-35	EF-25	F-36	EG-75
21-Apr-17	Fear	F-35	EF-25	F-32	G-74
24-Apr-17	Fear	F-39	F-30	F-30	G-74
25-Apr-17	Neutral	N-46	F-30	F-30	G-70
26-Apr-17	Neutral	N-48	F-30	F-29	G-71
27-Apr-17	Neutral	N-50	F-34	F-34	G-72
28-Apr-17	Neutral	N-50	F-35	F-34	G-70
1-May-17	Neutral	N-49	F-39	N-47	G-64
2-May-17	Neutral	N-51	F-46	N-47	G-69
3-May-17	Neutral	N-47	N-48	N-46	G-65
4-May-17	Neutral	N-45	N-50	N-46	G-57
5-May-17	Neutral	N-47	N-50	F-43	G-58

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Readings: Indicators

30-Mar-17	Greed	Neutral	Ext. Fear	Greed	Ext. Fear	Fear	Greed
31-Mar-17	Greed	Neutral	Ext. Fear	Neutral	Ext. Fear	Fear	Ext. Greed
3-Apr-17	Greed	Neutral	Ext. Fear	Neutral	Ext. Fear	Fear	Ext. Greed
4-Apr-17	Greed	Neutral	Ext. Fear	Neutral	Ext. Fear	Fear	Ext. Greed
5-Apr-17	Greed	Fear	Ext. Fear	Neutral	Ext. Fear	Fear	Ext. Greed
6-Apr-17	Greed	Neutral	Ext. Fear	Neutral	Ext. Fear	Fear	Ext. Greed
7-Apr-17	Greed	Fear	Ext. Fear	Neutral	Ext. Fear	Fear	Greed
10-Apr-17	Greed	Fear	Ext. Fear	Neutral	Ext. Fear	Fear	Greed
17-Apr-17	Greed	Fear	Ext. Fear	Neutral	Ext. Fear	Fear	Ext. Fear
18-Apr-17	Neutral	Fear	Ext. Fear	Fear	Ext. Fear	Fear	Ext. Fear
19-Apr-17	Greed	Neutral	Ext. Fear	Neutral	Ext. Fear	Fear	Ext. Fear
20-Apr-17	Greed	Neutral	Ext. Fear	Neutral	Ext. Fear	Fear	Ext. Fear
21-Apr-17	Greed	Neutral	Ext. Fear	Neutral	Ext. Fear	Fear	Ext. Fear
24-Apr-17	Greed	Neutral	Fear	Neutral	Ext. Fear	Neutral	Ext. Fear
25-Apr-17	Greed	Neutral	Fear	Neutral	Ext. Fear	Neutral	Fear
26-Apr-17	Greed	Neutral	Ext. Fear	Neutral	Fear	Neutral	Greed
27-Apr-17	Greed	Neutral	Fear	Neutral	Fear	Greed	Greed
28-Apr-17	Greed	Neutral	Ext. Fear	Neutral	Fear	Greed	Greed
1-May-17	Greed	Neutral	Fear	Neutral	Fear	Greed	Greed
2-May-17	Greed	Neutral	Fear	Neutral	Fear	Greed	Greed
3-May-17	Greed	Neutral	Fear	Neutral	Fear	Greed	Fear
4-May-17	Greed	Neutral	Fear	Neutral	Fear	Greed	Fear
5-May-17	Ext. Greed	Neutral	Fear	Neutral	Fear	Greed	Fear

Indicators:

Market Momentum: Extreme Greed
The S&P 500 is 4.38% above its 125-day average. This is further above the average than has been typical during the last two years and rapid increases like this often indicate extreme greed.

Market Volatility: Neutral
The CBOE Volatility Index (VIX) is at 10.57. This is a neutral reading and indicates that market risks appear low.

Safe Haven Demand: Fear
Stocks have outperformed bonds by 1.63 percentage points during the last 20 trading days. However, this is close to the weakest performance for stocks relative to bonds in the past two years and indicates investors are starting to flee risky stocks for the safety of bonds.

Junk Bond Demand: Neutral

Investors in low quality junk bonds are accepting 1.88 percentage points in additional yield over safer investment grade corporate bonds. While this spread is historically high, it is in-line with recent price history and indicates that investors are not showing significant fear or greed in the corporate bond market.
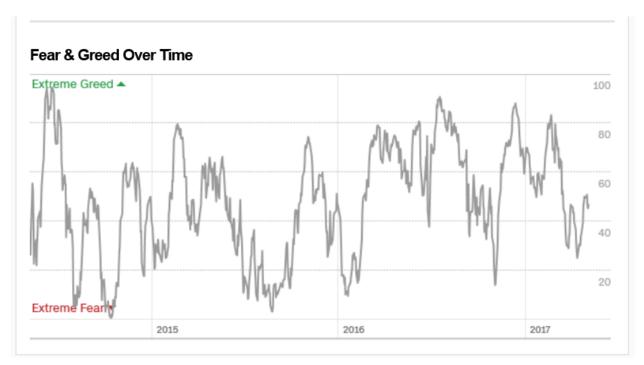
Stock Price Breadth: Fear
The McClellan Volume Summation Index measures advancing and declining volume on the NYSE. During the last month, approximately 1.22% more of each day's volume has traded in advancing issues than in declining issues. This indicates that market breadth is improving, though the McClellan Oscillator is still towards the lower end of its range for the last two years.

Stock Price Strength: Greed
The number of stocks hitting 52-week highs exceeds the number hitting lows and is at the upper end of its range, indicating greed.

Put and Call Options: Fear
During the last five trading days, volume in put options has lagged volume in call options by 33.17% as investors make bullish bets in their portfolios. However, this is still among the highest levels of put buying seen during the last two years, indicating fear on the part of investors.

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