



Fear & Greed Index

Tuesday, May 23, 2017

The **Fear & Greed Index** readings for **May 23** are shown on the following pages. The overall current score is: **49 – Neutral**. (**Monday: 50 – 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:

<u>Status</u>	<u>Reading</u>
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)

<u>Date</u>	<u>Status</u>	<u>Reading</u>	<u>Week Ago</u>	<u>Month Ago</u>	<u>Year Ago</u>
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
8-May-17	Neutral	N-49	N-49	F-40	G-60
9-May-17	Neutral	N-50	N-51	F-40	G-60
10-May-17	Greed	G-61	N-47	F-37	G-65
11-May-17	Greed	G-62	N-45	F-31	G-62
12-May-17	Greed	G-62	N-47	F-28	G-61
15-May-17	Greed	G-64	N-49	EF-25	N-55
16-May-17	Greed	G-66	N-50	EF-25	G-60
17-May-17	Fear	F-44	G-61	F-31	N-54
18-May-17	Fear	F-43	G-63	F-30	N-54
19-May-17	Neutral	N-49	G-62	F-30	N-52
22-May-17	Neutral	N-50	G-64	F-32	N-52
23-May-17	Neutral	N-49	G-66	F-35	N-54

<continued>



Readings: Indicators

<u>Date</u>	<u>Market Momentum</u>	<u>Market Volatility</u>	<u>Safe Haven Demand</u>	<u>Junk Bond Demand</u>	<u>Stock Price Breadth</u>	<u>Stock Price Strength</u>	<u>Put & Call Options</u>
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
8-May-17	Ext. Greed	Neutral	Neutral	Neutral	Fear	Greed	Fear
9-May-17	Greed	Neutral	Neutral	Neutral	Fear	Greed	Fear
10-May-17	Ext. Greed	Neutral	Greed	Neutral	Fear	Greed	Ext. Greed
11-May-17	Greed	Neutral	Greed	Neutral	Fear	Greed	Ext. Greed
12-May-17	Greed	Neutral	Greed	Neutral	Fear	Greed	Ext. Greed
15-May-17	Ext. Greed	Neutral	Greed	Neutral	Fear	Greed	Ext. Greed
16-May-17	Ext. Greed	Neutral	Greed	Neutral	Fear	Greed	Ext. Greed
17-May-17	Neutral	Fear	Fear	Fear	Fear	Greed	Greed
18-May-17	Neutral	Neutral	Ext. Fear	Fear	Greed	Neutral	Greed
19-May-17	Greed	Neutral	Fear	Fear	Fear	Neutral	Greed
22-May-17	Greed	Neutral	Fear	Neutral	Fear	Neutral	Greed
23-May-17	Greed	Neutral	Ext. Fear	Neutral	Fear	Neutral	Greed

Indicators:

Market Momentum: Greed

The S&P 500 is 3.35% above its 125-day average. This is further above the average than has been typical during the last two years and indicates greed on the part of investors.

Market Volatility: Neutral

The CBOE Volatility Index (VIX) is at 10.72. This is a neutral reading and indicates that market risks appear low.

Safe Haven Demand: Extreme Fear

Stocks and bonds have provided similar returns during the last 20 trading days. However, this has been among the weakest periods for stocks relative to bonds in the past two years and indicates investors are fleeing risky stocks for the safety of bonds.



Junk Bond Demand: Neutral

Investors in low quality junk bonds are accepting 1.86 percentage points in additional yield over safer investment grade corporate bonds. This spread is higher than what has been typical for the last two years and indicates that investors are risk averse.

Stock Price Breadth: Fear

The McClellan Volume Summation Index measures advancing and declining volume on the NYSE. During the last month, approximately 6.21% 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: Neutral

The number of stocks hitting 52-week highs exceeds the number hitting lows but is in the middle of its two-year range and is neutral.

Put and Call Options: Greed

During the last five trading days, volume in put options has lagged volume in call options by 36.70% as investors make bullish bets in their portfolios. However, this among the lowest levels of put buying seen during the last two years, indicating greed on the part of investors.


