



Fear & Greed Index

Thursday, August 10, 2017

The **Fear & Greed Index** readings for **August 10** are shown on the following pages. The overall current score is: **31 – Fear**. (**Wednesday: 54 – 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>
5-Jul-17	Greed	G-57	G-60	G-58	G-68
6-Jul-17	Fear	F-44	N-47	N-55	G-69
7-Jul-17	Neutral	N-49	N-49	N-55	G-69
10-Jul-17	Neutral	N-46	N-52	N-54	EG-76
11-Jul-17	Fear	F-41	N-52	N-54	EG-81
12-Jul-17	Neutral	N-47	G-57	N-55	EG-87
13-Jul-17	Neutral	N-54	F-44	N-55	EG-86
14-Jul-17	Greed	G-64	N-49	N-52	EG-90
17-Jul-17	Greed	G-67	N-46	N-50	EG-89
21-Jul-17	Greed	G-73	G-64	F-42	EG-86
24-Jul-17	Greed	G-72	G-67	N-52	EG-85
25-Jul-17	Extreme Greed	EG-81	G-62	N-52	EG-85
26-Jul-17	Extreme Greed	EG-78	G-74	N-53	EG-85
27-Jul-17	Greed	G-73	EG-76	N-48	EG-82
28-Jul-17	Greed	G-67	G-73	G-60	EG-82
31-Jul-17	Greed	G-70	G-72	N-49	EG-79
1-Aug-17	Greed	G-65	EG-81	N-49	EG-77
2-Aug-17	Greed	G-67	EG-76	N-51	EG-77
3-Aug-17	Greed	G-59	G-69	N-54	EG-81
4-Aug-17	Greed	G-64	G-69	N-54	EG-81
8-Aug-17	Greed	G-61	G-66	N-46	EG-88
9-Aug-17	Neutral	N-54	G-67	F-43	EG-87
10-Aug-17	Fear	F-31	G-59	F-38	EG-82

<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>
5-Jul-17	Greed	Neutral	Greed	Fear	Greed	Fear	Ext. Greed
6-Jul-17	Neutral	Fear	Neutral	Fear	Neutral	Fear	Neutral
7-Jul-17	Greed	Neutral	Greed	Fear	Neutral	Fear	Greed
10-Jul-17	Greed	Neutral	Greed	Fear	Neutral	Ext. Fear	Fear
11-Jul-17	Greed	Neutral	Greed	Fear	Neutral	Ext. Fear	Ext. Fear
12-Jul-17	Greed	Neutral	Greed	Fear	Greed	Ext. Fear	Ext. Fear
13-Jul-17	Ext. Greed	Neutral	Greed	Greed	Greed	Ext. Fear	Fear
14-Jul-17	Ext. Greed	Neutral	Ext. Greed	Greed	Greed	Fear	Greed
17-Jul-17	Ext. Greed	Neutral	Ext. Greed	Greed	Greed	Fear	Greed
21-Jul-17	Ext. Greed	Neutral	Ext. Greed	Fear	Ext. Greed	Neutral	Ext. Greed
24-Jul-17	Ext. Greed	Neutral	Greed	Neutral	Ext. Greed	Neutral	Ext. Greed
25-Jul-17	Ext. Greed	Neutral	Ext. Greed	Ext. Greed	Ext. Greed	Neutral	Ext. Greed
26-Jul-17	Ext. Greed	Neutral	Ext. Greed	Ext. Greed	Ext. Greed	Greed	Greed
27-Jul-17	Ext. Greed	Neutral	Greed	Ext. Greed	Ext. Greed	Greed	Fear
28-Jul-17	Ext. Greed	Neutral	Ext. Greed	Greed	Ext. Greed	Greed	Fear
31-Jul-17	Ext. Greed	Neutral	Greed	Greed	Ext. Greed	Greed	Fear
1-Aug-17	Ext. Greed	Neutral	Greed	Greed	Ext. Greed	Greed	Fear
2-Aug-17	Ext. Greed	Neutral	N/A	Greed	Ext. Greed	Greed	Ext. Fear
3-Aug-17	Ext. Greed	Neutral	N/A	Greed	Ext. Greed	Greed	Ext. Fear
4-Aug-17	Ext. Greed	Neutral	N/A	Greed	Ext. Greed	Greed	Ext. Fear
8-Aug-17	Ext. Greed	Neutral	N/A	Neutral	Ext. Greed	Greed	Ext. Fear
9-Aug-17	Ext. Greed	Neutral	N/A	Fear	Ext. Greed	Greed	Ext. Fear
10-Aug-17	Neutral	Ext. Fear	N/A	Ext. Fear	Greed	Neutral	Ext. Fear

Indicators:

Market Momentum: Neutral

The S&P 500 is 1.50% above its 125-day average. This distance above the average has been typical for this index during the last two years and does not indicate either fear or greed.

Market Volatility: Extreme Fear

The CBOE Volatility Index (VIX) is at 16.04, 52.63% above its 50-day moving average and indicates that investors are concerned about the near-term values of their portfolios.

Safe Haven Demand: Not available. (BW: I do not know why this has "disappeared" from the readings.)



Junk Bond Demand: Extreme Fear

Investors in low quality junk bonds are accepting 1.92 percentage points in additional yield over safer investment grade corporate bonds. This spread is higher than recent levels and suggests that investors are becoming more risk averse.

Stock Price Breadth: Greed

The McClellan Volume Summation Index measures advancing and declining volume on the NYSE. During the last two months, approximately 10.94% more of each day's volume has traded in declining issues than in advancing issues. This indicates that market breadth is weakening, though the McClellan Oscillator is near the top 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: Extreme Fear

During the last five trading days, volume in put options has lagged volume in call options by 31.34% 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 extreme fear on the part of investors.


