

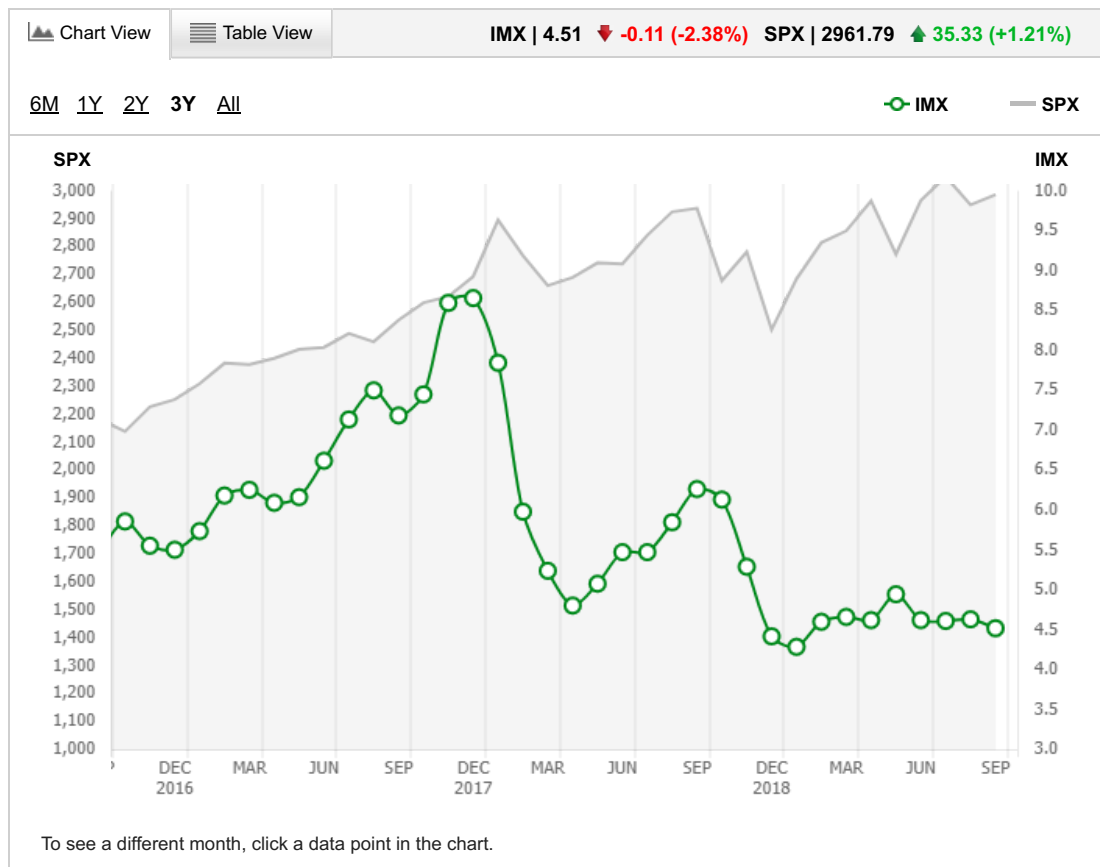
Investor Movement Index® (IMXSM): September 2019

Monthly Summary

About the IMX

IMX vs S&P 500

The Investor Movement Index, or the IMX, is a proprietary, behavior-based index created by TD Ameritrade designed to indicate the sentiment of retail investors.



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September 2019

Monthly Summary

Exposure to equity markets in TD Ameritrade client accounts decreased during the September IMX period. During the period, the IMX decreased to 4.51, down 0.11 or 2.38%, from the previous period.

TD Ameritrade clients were net sellers of equities during the September period, favoring less risky assets like fixed-income products. Selling among equities pushed the IMX score lower. Although the score has been mostly range-bound during the summer months, the IMX reached the lowest point since January following September's move lower.

Equity markets were mixed during the period, with the S&P 500 moving higher by 1.2% and the Dow Jones Industrial Average increasing by 1.6%. The Nasdaq Composite ended the period slightly lower, down 0.3%, as the technology sector lagged. Tech stocks were hurt as tariff escalations ramped up again, with China hoping to narrow the scope of trade talks, then promptly cancelling a planned visit to farms in the U.S. heartland near the end of the month. Oil prices were volatile following an attack on a Saudi oil facility, posting the biggest one-day gain in more

Reading (IMX)

September 2019

4.51 ▼ -0.11 (-2.38%)

Historic range (since Jan 2010 inception)



Trends

Direction ▼ Negative

Length

than a decade. The Federal Reserve also stepped into money markets in an effort to tamp down rising interest rates, with the New York Fed carrying out \$75 billion of repurchase agreements to boost liquidity and bring rates down. The Federal Reserve also voted to cut its benchmark interest rate by 25 basis points for the second time in two months.

Trading

TD Ameritrade clients reduced exposure to equity markets during the September period, but found some names to buy. Slack Technologies Inc. (**WORK**), which issued earnings for the first time since its public-market debut, traded lower after missing on earnings and was a net buy. Walt Disney Company (**DIS**) was a net buy after it received an analyst upgrade and a price target increase. Uber Technologies Inc. (**UBER**), which was popular at the Delivering Alpha Conference and covered by two investment managers, was also a net buy. Abbvie Inc. (**ABBV**) reached a 52-week low during the period, but received an analyst upgrade citing its current valuation builds in a more pessimistic view of its acquisition target, Allergan (**AGN**), and was net bought. Roku Inc. (**ROKU**), which had risen over 400% year-to-date before trading lower following Apple's streaming TV announcement, was net bought.

Additional popular names bought include Shopify Inc. (**SHOP**), Altria Group Inc. (**MO**), and Ulta Beauty Inc. (**ULTA**).

Apple Inc. (**AAPL**) made news during the period by announcing a streaming TV service, Apple TV Plus, with a price point of \$4.99 per month, and was net sold as the stock neared an 11-month high. Facebook Inc. (**FB**) was net sold as the stock traded lower following the Senate announcing Big Tech antitrust hearings. Alibaba Group Holding (**BABA**) saw some volatility during the period after news broke the U.S. could delist Chinese companies traded in New York, and was net sold. Netflix Inc. (**NFLX**) was net sold after the streaming wars heated up, and the CEO announced tough competition was coming from AAPL and DIS. Chip makers Micron Technology Inc. (**MU**) and Intel Corp. (**INTC**) were both net sold. MU reached a 52-week high early in the period, then traded lower after missing on earnings and lowering guidance. INTC traded higher as a company executive announced optimism regarding cloud spending.

Additional names sold include Nvidia Corp. (**NVDA**), Boeing Co. (**BA**), and Alphabet Inc. (**GOOG**).

Inclusion of specific security names in this commentary does not constitute a recommendation from TD Ameritrade to buy, sell, or hold.

Historical Overview

TD Ameritrade's Investor Movement Index (IMX) has generally correlated with the S&P 500 as clients react to equity price movements, but the index has gone through uncorrelated periods. Beginning in January 2010, when TD Ameritrade started tracking the IMX, the index rose with equity markets until April 2010, when it peaked at 5.40. In May 2010 investors experienced the "Flash Crash" and the IMX began a sharp downward trend. The IMX didn't reach 5.00 again until the S&P 500 was well above April 2010 levels. The index eventually peaked at 5.56 in June 2011. This peak was immediately followed by a plunge in equity markets, and in the IMX, as the media was dominated by the U.S. debt ceiling debate, S&P downgrade of U.S. debt, and European debt concerns. The S&P 500 began to recover in the fall of 2011, but the IMX continued to decline until it reached a new low at the time in January 2012. As the S&P 500 began to sustain an upward trend in early 2012, the IMX started to rise. In 2013, as economic conditions improved and the S&P 500 climbed to record levels, the IMX rose to the high end of its historical range, finishing 2013 at 5.62, and continued to rise in 2014 amid geopolitical tensions related to Ukraine and the Middle East, until seeing slight declines in October and November. By the middle of 2015 the IMX had seen increases, as equity market volatility had reduced to near historical levels while the market continued its upward trend. As 2015 ended its third quarter, volatility had returned to markets, as global economic concerns and speculation around the timing and trajectory of Federal Reserve rate increases seemed to rattle overall equity markets. This uncertainty continued to play a role in the equity markets through the fourth quarter of 2015 and into early 2016. The volatility accompanying this uncertainty abated in the second quarter of 2016 and remained low until late in the third quarter. Just as it had in 2015, the IMX saw increases mid-year during the period of lower volatility. The IMX continued to climb into the fourth quarter reaching 5.83 in October 2016, its highest point in two years. A brief spike in volatility during November, timed around the U.S. presidential election, coincided with a slight pull back in the IMX, which then ended 2016 at the high end of its historical range. The IMX started 2017 with an upward trend and reaching an all-time high in March, before pausing in April as lower volatility led to a decrease in the IMX. The momentum resumed in May, with the IMX breaching 7.0 for the first time ever in July of 2017. The IMX took another brief pause in September, before following markets higher and breaching 8.0 for the first time ever in November and ending 2017 at an all-time high. Volatility returned to the markets in early 2018, and the IMX decreased for four consecutive months to start the year. The IMX then rebounded in the spring of 2018, and continued higher during the summer on the back of better-than-expected earnings and increasing equity markets. The IMX headed higher during the fall of 2018 as economic growth increased before heading lower in late 2018 as the Nasdaq Composite entered a bear market to end the year. Geopolitical issues were in the headlines during early 2019 as the U.S. and China traded tariffs. The IMX rebounded along with equity markets in the spring of 2019 on optimism of a trade deal with China and the unemployment rate nearing a 49-year low.

Previous trend: Positive (1 month)

Current trend: Negative (1 month)

Symbols Referenced

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