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Global Investor Confidence Hits 6 Month Low, Declining in October by 7.5 points to 96.9

[Confidence in All Three Regions Drops Amidst the Increasing Potential for a New Fed Chair](#)

BOSTON, October 31, 2017 — State Street Global Exchange today released the results of the State Street Investor Confidence Index® (ICI) for October 2017.

The Global Investor Confidence Index decreased to 96.9, down 7.5 points from September's revised reading of 104.4. The decline in sentiment was driven by an 8.7 point drop in the North American ICI to 96.8, along with a 6.7 point fall in the Asian ICI to 96.2 and a 0.7 point decrease in the European ICI to 93.1.

The Investor Confidence Index was developed by Kenneth Froot and Paul O'Connell at State Street Associates, State Street Global Exchange's research and advisory services business. It measures investor confidence or risk appetite quantitatively by analyzing the actual buying and selling patterns of institutional investors. The index assigns a precise meaning to changes in investor risk appetite: the greater the percentage allocation to equities, the higher risk appetite or confidence. A reading of 100 is neutral; it is the level at which investors are neither increasing nor decreasing their long-term allocations to risky assets. The index differs from survey-based measures in that it is based on the actual trades, as opposed to opinions, of institutional investors.

"In October, we've seen a plunge in global investor sentiment to levels last seen in March of this year," commented Ken Froot. "Investors may be factoring in the effects of monetary policy normalization and the potential for a more hawkish chair at the Federal Reserve. Concerns may also be surfacing over the impact of a stronger US dollar on emerging Asian markets. In the face of continued geopolitical concerns, we will have to wait and see how investor sentiment unfolds as 2017 nears an end."

“Rising yields, a continued sense of uncertainty around US fiscal and trade and the imminent selection of a new Fed chairperson are keeping markets on tenterhooks,” said Timothy Graf, head of Macro Strategy, EMEA, and State Street Global Markets. “The retreat in Investor Confidence being led by North American investors is not so surprising given so much market attention has focused on events in the region.”

About the State Street Investor Confidence Index®

The index is released globally at 10 a.m. Eastern time in Boston on the last Tuesday of each month. More information on the State Street Investor Confidence Index is available at

<http://www.statestreet.com/ideas/investor-confidence-index.html>.

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*AUM reflects approx. \$36 billion (as of September 30, 2017) with respect to which State Street Global Advisors Funds Distributors, LLC (SSGA FD) serves as marketing agent; SSGA FD and State Street Global Advisors are affiliated.

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Expiration Date: 10/31/2018

CORP-3425