Investor Confidence Falls in January by 5.5 Points to 106.7

BOSTON, January 27, 2015 — State Street Global Exchange today released the results of the State Street Investor Confidence Index® (ICI) for January 2015.

The Global ICI decreased to 106.7, down 5.5 points from December’s revised reading of 112.2. Investors in Europe recorded the largest decline in sentiment, with the European ICI falling 5.7 points to 113.9, from December’s revised reading of 119.6. In North America, the ICI fell by 1.1 points to 101.8, while in Asia the ICI also fell by 1.1 points to 99.6.

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.

“Global deflationary fears, geopolitical risk and European political volatility led to declines in sentiment in January,” commented Froot. “Given soft inflation and retail sales in the U.S., all eyes will be focused on the Federal Reserve on Wednesday to see if the FOMC stays on track to raise rates in Q2.”

“The decline in sentiment was again driven by European investors,” added Jessica Donohue, executive vice president and chief innovation officer, State Street Global Exchange. “It will be interesting to see whether recent sovereign quantitative easing by the ECB will offset rising political uncertainty in the Eurozone and lead to a stabilization in sentiment.”
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.

About State Street Corporation

State Street Corporation (NYSE: STT) is one of the world's leading provider of financial services to institutional investors including investment servicing, investment management and investment research and trading. With $28.19 trillion in assets under custody and administration and $2.45 trillion* in assets under management as of December 31, 2014, State Street operates in more than 100 geographic markets worldwide, including the US, Canada, Europe, the Middle East and Asia. For more information, visit State Street’s web site at www.statestreet.com.

*Assets under management include the assets of the SPDR® Gold ETF (approximately $27.3 billion as of December 31, 2014), for which State Street Global Markets, LLC, an affiliate of SSgA, serves as the distribution agent.

The views expressed in this material are the views of State Street through the period ended January 27, 2015 and are subject to change based on market and other conditions.

This news announcement contains forward-looking statements as defined by United States securities laws, including statements about the financial outlook and business environment. Those statements are based on current expectations and involve a number of risks and uncertainties, including those set forth in State Street's 2013 annual report and subsequent SEC filings. State Street encourages investors to read the corporation's annual report, particularly the section on factors that may affect financial results, and its subsequent SEC filings for additional information with respect to any forward-looking statements and prior to making any investment decision. The forward-looking statements contained in this press release speak only as of the date hereof, January 27, 2015 and the company will not undertake efforts to revise those forward-looking statements to reflect events after this date.