Global Investor Confidence Rose in May by 5.1 points to 102.5

BOSTON, May 30, 2017 — State Street Global Exchange today released the results of the State Street Investor Confidence Index® (ICI) for May 2017.

The Global ICI increased to 102.5, up 5.1 points from April’s revised reading of 97.4. The improvement in sentiment was driven by an increase in the North American ICI from 95.1 to 104.1. The European ICI rose marginally from 96.2 to 96.9. In contrast, the Asian ICI continued to decrease from 104.6 to 101.1 this month.

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.

“After 10 consecutive months of readings below 100, Global investor confidence is finally picking up steam,” commented Rajeev Bhargava, managing director and head of Investor Behavior Research, State Street Associates. “Markets continue to anticipate a very gradual course for the Federal Reserve rate hikes, and with hopes for increased infrastructure spending and tax reforms, the North American ICI readings are resonating with the uptick in risk appetite.”

“Looking regionally, ICI numbers in Europe are below the neutral 100-level mark, as investors take a pause to reflect on elevated valuations in the region following the strong run year-to-date,” commented Ken Froot. “In contrast, Asian ICI has remained in a risk-on environment, perhaps reflecting the superior earnings growth in the region, as well as the falling risk premium in China.”
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 providers of financial services to institutional investors, including investment servicing, investment management and investment research and trading. With $29.8 trillion in assets under custody and administration and $2.60 trillion* in assets under management, as of March 31, 2017, 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 website at www.statestreet.com

* AUM reflects approx. $33 billion (as of March 31, 2017) with respect to which State Street Global Markets, LLC (SSGM) serves as marketing agent; SSGM and State Street Global Advisors are affiliated.

The views expressed in this material are the views of State Street through the period ended May 30, 2017 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 2015 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, May 30, 2017 and the company will not undertake efforts to revise those forward-looking statements to reflect events after this date.

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