

Investors gain in confidence

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Tristate area investors are more bullish on the U.S. economy's growth prospects for the rest of 2013 than the average investor surveyed by Morgan Stanley's wealth management unit, a new report shows.

Nearly three-quarters — 74 percent — of the Connecticut, New York and New Jersey investors surveyed by Morgan Stanley said they thought the national economy would finish the year on par with if not better than it is currently, versus 66 percent of national respondents.

Joseph J. Matthews, a financial adviser and branch manager of Morgan Stanley's Fairfield office, said local investors are more confident than they have been in years, but that they are just beginning to embrace the current economic improvements.

"In spite of what we're seeing in the economy ... people are just starting to embrace that environment with how they're structuring their portfolios," Matthews said.

About a third of the tristate investors who were polled by Morgan Stanley said they believe real estate will be the best-performing asset over the next three years.

However, "the average cash position held by people who were polled was 22 percent, which is relatively high, and 48 percent of those polled thought gold would be one of the better investments over the next year or two," Matthews said, with the latter occurrence coming despite recent drops in the price of gold.

Globally, Matthews said there is still about \$10 trillion in money market accounts in addition to \$1.5 trillion in cash being held by U.S. corporations.

Matthews predicted the recent stock market surge would continue and the housing tailwind would continue. "What that'll do is it'll increase the level of risk people are willing to take on, and it will change their spending habits," he said. "These are all positive things for the economy."

At present, though, "It appears investors are being overly cautious," Matthews said.