

MARKET MICROSCOPE – S&P 500 Price Index Returns After A Bear Market

S&P 500 Price Index Returns From Date Of Bear Market



This chart shows the future returns of the S&P 500 Price Index from the date the index was down at least -20% (also included are three instances when the S&P 500 index was down just under -20%, in 1990, 1998 and 2018).

On average, the S&P 500 Price Index returned 10.6% annualized over the ensuing 3-year period. Over the longer-term, the index averaged a 7.9% annualized return over the next 10 years.

It is important to note that these are just the returns of the **Price** index, the returns of the **Total Return** index (which includes dividend reinvestment) would be higher.

Bear Market Date	Drawdown At That Date	Maximum Drawdown	1-Year Return	3-Year Return	5-Year Return	10-Year Return
10/21/1957	-21.13%	-21.47%	30.96%	11.12%	7.26%	9.31%
5/28/1962	-23.60%	-27.97%	26.14%	16.79%	10.39%	7.14%
8/29/1966	-20.76%	-22.18%	24.62%	8.62%	6.16%	3.13%
1/29/1970	-20.93%	-36.06%	11.89%	10.63%	-2.05%	2.90%
11/27/1973	-20.41%	-48.20%	-26.92%	2.53%	0.06%	5.74%
2/22/1982	-20.59%	-27.11%	30.37%	17.14%	20.67%	13.94%
10/19/1987	-33.24%	-33.51%	23.19%	11.60%	13.04%	15.43%
10/11/1990	-19.92%	-19.92%	29.10%	15.97%	14.42%	16.53%
8/31/1998	-19.34%	-19.34%	37.93%	5.80%	1.04%	2.97%
3/12/2001	-22.74%	-49.15%	-1.24%	-1.71%	1.66%	1.01%
7/9/2008	-20.47%	-56.78%	-29.08%	2.59%	5.83%	8.38%
12/24/2018	-19.78%	-19.78%	37.10%	26.20%		
3/12/2020	-26.74%	-33.92%	58.96%			
6/13/2022*	-21.83%	-25.25%	?	?	?	?
Average After Reaching Bear Market:			19.46%	10.61%	7.13%	7.86%
Average For Jan 1950-Sep 2022:			9.10%	8.02%	7.79%	7.27%

S&P 500 Price Index Annualized Return, Jan 1950 - Sep 2022: 7.65%

*Maximum Drawdown value is as of 9/30/2022

Daily Return Source: finance.yahoo.com