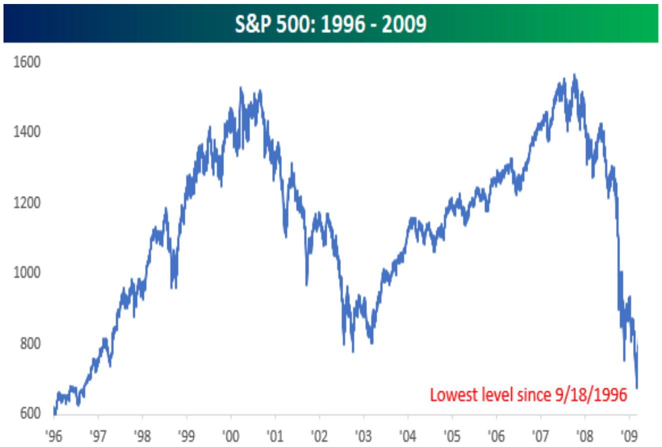
Remember What Happened from 1996 – 2009?

March 9, 2009 – the market closed at its lowest level since 1996 and then…

You probably are not aware that March 9, 2022 marks the 13th anniversary of what many call "The End of the Lost Decade" for the stock market. Because on March 9, 2009, the S&P 500 closed at its lowest level since September 1996. In fact, that period from the late 90s through 2009 was the first time since 1941 that the rolling 10-year return for the S&P 500 was negative.

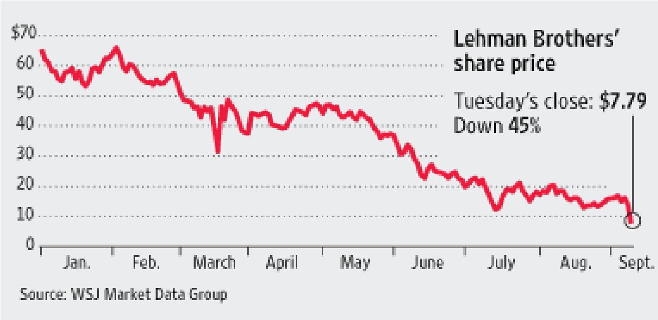
Of course along the way, investors kept celebrating various market upticks thinking that a new bull market was beginning, but the markets kept pulling back.

As investors, we kept telling ourselves that stocks go up more than they go down, but for those who remember that time period, we experienced two huge run-ups, two huge declines and countless head-fakes that did nothing for our 401(k) account balances.



An Example of False Hope in 2008

Remember on the way to bankruptcy (and a price of zero) in September of 2008, Lehman Brothers saw separate rallies of 24%, 53%, 26%, 70%, and 34% right before hitting zero? And after each rally, investors kept thinking that maybe the worse was behind them. Nope.



If you invested during that time period, you remember first-hand. But do you remember what happened beginning 13-years ago today on March 9, 2009? We saw the beginning of what is considered to be one of the most remarkable bull-markets in history.

Keep Perspective

On Monday, March 7, 2022, the S&P 500 dropped 2.95%. But did you now that from the period September 2008 through March 2009, the S&P 500 saw over 30 daily declines of more than 2.95%?

On March 8, 2022, the Volatility Index (the VIX) closed above 30 for the 7th day in a row. Did you know that on March 9, 2009, the VIX closed at just under 50 – and that was the 121st day of closes above 30?

That's not to say that your anxieties about today's market environment should be dismissed. They shouldn't. But keep today's market movements in context.

In fact, as rough as it has been so far in 2022, in the context of the past 13-years, it doesn't seem so significant.

Again, there have been some big market declines over the past 13 year – including the COVID-bear – but those were short-lived. Since March 9, 2009, the S&P 500 is up over 500%.

Don't try and time the market. You are likely to get it very wrong.