

Market Volatility

A HISTORICAL PERSPECTIVE

Markets go up in the long-term

While short-term downturns occur in the markets, the long-term trend has been firmly upward reflecting the growth of the Canadian and world economy. Historically, the markets recovered after each downturn demonstrating that ups and downs are part of stock market performance and something long-term investors are used to riding out.



1	2	3	4	5
CRASH OF '87 -25.4% JUL 1987 - NOV 1987	TECH BUBBLE -43.2% AUG 2000 - SEP 2002	U.S. FINANCIAL CRISIS -43.3% MAY 2008 - FEB 2009	STOCK MARKET DOWNTURN -15.8% MAR 2011 - May 2012	CHINA STOCK MARKET CRISIS -13.1% AUG 2014 - JAN 2016

Recovering from Down Markets

↑ 24%

The S&P/TSX index increased by an average of 24% during the first twelve months following the bottom of these market downturns.

↑ 23.4

The average length of time it took these down markets to return to their original high was 23.4 months

↑ 5.6

The average length of market growth between these down markets was 67 months or 5.6 years.



This graph illustrates historical performance of the S&P/TSX Total Return Index. A \$10,000 investment in January 1969 grew to \$628,931 on March 13, 2020. Market downturn calculations refer to the five downturns noted in the above graph and use month-end closing value of the S&P/TSX Total Return Index.

Fred Bowie, CEA
BOWIE FINANCIAL INC.
613-416-2020 Fred@BowieCanHelp.com

BOWIE
FINANCIAL INC.
BOWIECANHELP.COM

This is a general guide only and is not intended to replace professional financial and tax advice in any form. Please consult a professional financial advisor on how it relates to your situation. The information provided here is accurate as of the date of publication, March 16, 2020. Infographic designed by Ativa Interactive © Copyright 2020. All Rights Reserved.