

1% Moves

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Remember the days when daily moves of up or down 1% for the S&P 500 were commonplace? There was even a time during the Financial Crisis when the S&P 500's average daily move over a 50-trading day period was above 4%! These days, the S&P 500 doesn't even average a daily move up or down of half of one percent. In fact, it has been two months (42 trading days) now since the S&P 500 last had a move up or down of 1% or more. To put that in perspective, you have to go back nearly 20 years to 1995 to find a period where the S&P 500 went longer without a move of that magnitude.

The chart below shows streaks where the S&P 500 went without a daily move of 1%. Since 1928, there have been 30 other streaks that lasted longer than 40 trading days. While extended streaks have been rare in the last twenty years, it hasn't always been that way. For example, from the early 1950s through the early 1970s, there were numerous periods of extended calm in the market. In fact, the years 1963, 1964, and 1965 each saw streaks of more than 100 trading days without a 1% move (the 1965 streak ended in February 1966). If you think the last two months have been calm, imagine going through a period of more than eight months without a 1% move. *Imagine if they had a VIX back then.*

S&P 500: Trading Days Without a 1% Gain or Loss: 1944 - 2014

