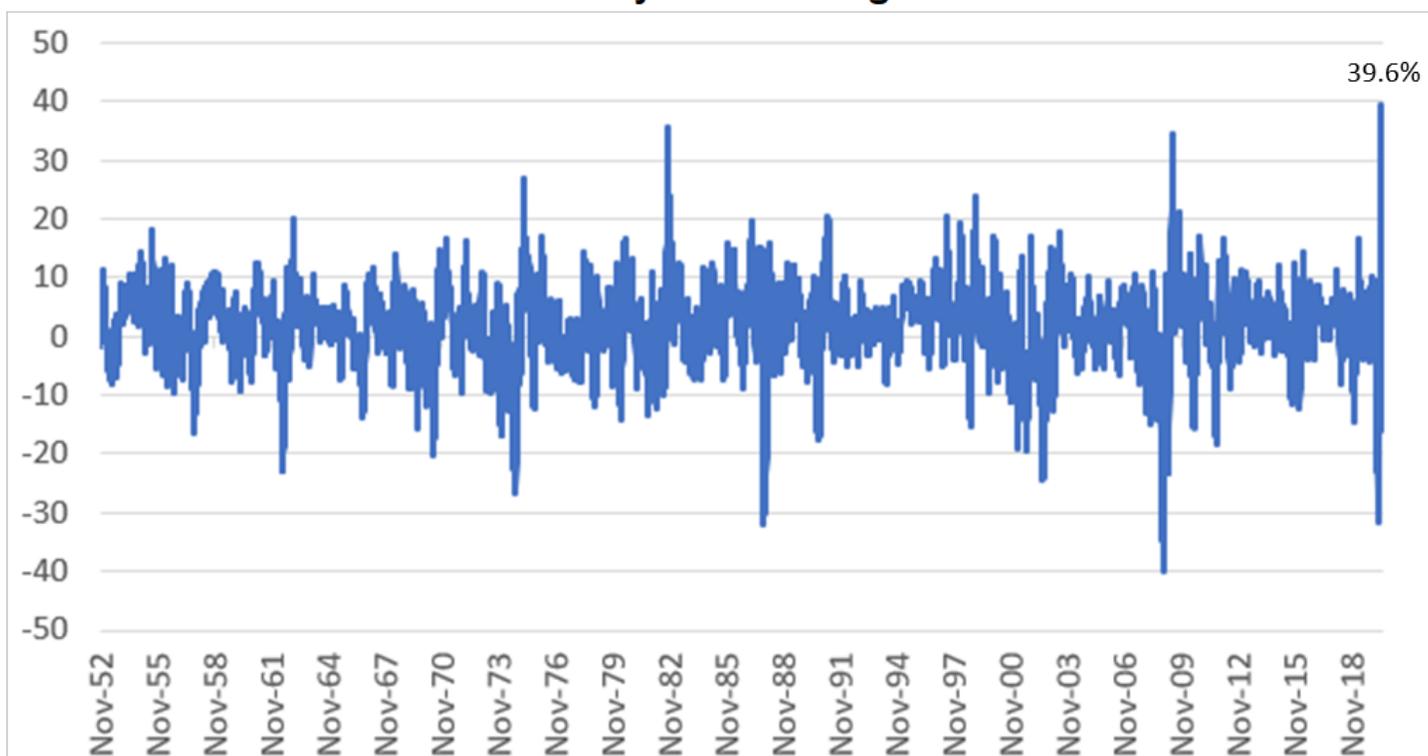


CHART OF THE MONTH

JUNE 2020

S&P 500 50-Day Price Changes



Source: Bespoke

Our [May Chart of the Month](#) covered the S&P 500's largest 40-day gains since 1950. The period from the low on March 23 through May 19, which encompassed 40 trading sessions, produced the second-best return (30.6%) over the past 70 years. Fast forward 10 more sessions and the S&P 500 has now generated the highest 50-day price change (39.6%) in the last seven decades (see the chart above).

In the first half of this year, we have witnessed the end of the longest bull market in history, the fastest bear market ever, and the greatest 50-day rally on record — and you thought all the roller coaster rides had been closed for much of this time!

So ... what's up next? Well, if history is any guide, there could be more gains ahead. Based on the seven previous 50-day advances of 20% or more, the average six- and 12-month subsequent returns were 10.2% and 17.3%, respectively, with positive results 100% of the time (see below). However, if the past is prologue, the market may experience a minor pullback or a slowing in the momentum over the next month before taking off again.

There are no guarantees, of course, especially in view of the uncertainties surrounding COVID-19, the economy, civil unrest, tensions with China, and the presidential election. The disconnect between Main Street and Wall Street of late may seem "paradoxical to those who don't understand that the S&P 500 is one of the best leading indicators" as we pointed out in our [April Chart of the Month](#). The unprecedented rebound in stock prices might be suggesting that the economy is likely to recover sooner and at a stronger clip than what was imaginable 2-1/2 months ago.

With the S&P 500 within 8% of its peak in February, it is possible that the index could make a new high before the end of the year if it performs in-line with or better than the average six-month return of

S&P 500 Largest 50-Day Gains

Date	50 Day % Change	S&P 500 Index Return			
		1 Month	3 Month	6 Month	12 Month
3/6/1975	26.9%	-4.0%	10.8%	3.0%	18.2%
10/22/1982	35.6%	-3.3%	3.6%	15.6%	20.3%
3/26/1991	20.8%	0.8%	-1.5%	3.0%	8.7%
6/24/1997	20.5%	4.9%	6.2%	6.4%	26.4%
12/18/1998	23.8%	4.0%	6.2%	12.4%	19.4%
5/19/2009	34.2%	1.1%	9.0%	22.2%	22.8%
9/16/2009	21.3%	2.6%	3.7%	9.1%	5.2%
6/3/2020	37.7%	?	?	?	?
	Average	0.9%	5.4%	10.2%	17.3%
	Median	1.1%	6.2%	9.1%	19.4%
	% Positive	71.4%	85.7%	100.0%	100.0%

Source: LPL Research, FactSet 06/03/2020
Past performance is no guarantee of future results.



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