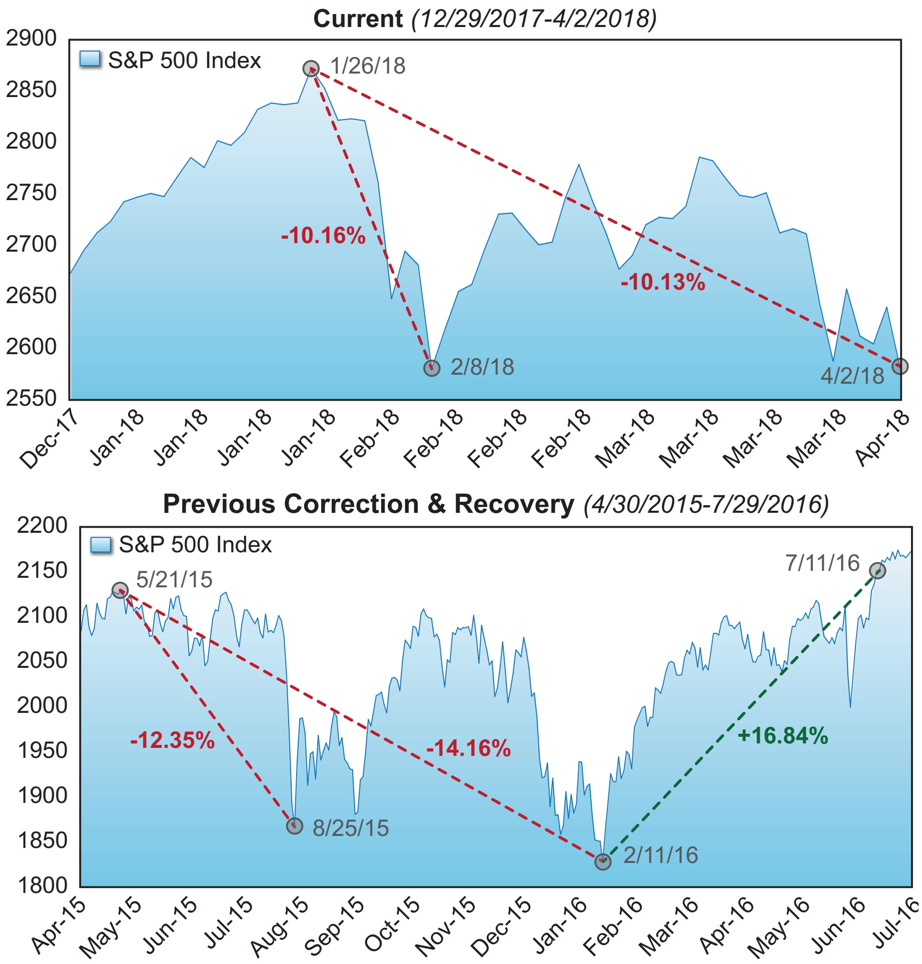
The Current Stock Market Correction Is Behaving Like The Last One

S&P 500 Index Price Corrections



Source: Bloomberg. Past performance is no guarantee of future results.

View from the Observation Deck

1. A stock market correction occurs when a benchmark index, such as the S&P 500, sustains a price decline of 10% or more from the most recent peak. A bear market would entail a price decline of at least 20%.
2. Since World War II, the S&P 500 Index has experienced a correction, on average, about every 18 months, while the median time between corrections is just one year, according to S&P Capital IQ. So they happen fairly frequently.
3. The average time it takes the S&P 500 Index to fully recover its losses from a correction is four months, according to S&P Capital IQ.
4. As indicated in charts, both the current and previous corrections in the S&P 500 Index have involved initial 10% or more sell-offs followed by notable recovery attempts and then additional sell-offs.
5. In the previous correction, it took five months to fully recover the losses sustained in the correction, just a month longer than the four month historical average.

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