

10 need-to-know facts about the bull market's 10th anniversary

March 7, 2019

Whether you view the current bull market as being on its last legs or still having plenty of gas left, it's clearly demonstrated its stamina. March 9 marks the 10th anniversary since the stock market sank to its financial crisis low point in 2009.



That decade-long run makes this the longest bull market in stock market history. It's achieved that distinction by maintaining upward momentum without suffering a 20% decline or more from a market peak. That threshold of a 20% move in the S&P 500 Index is [the point at which a bull market turns into a bear market](#), or vice versa, by the most common method for defining each type of market.

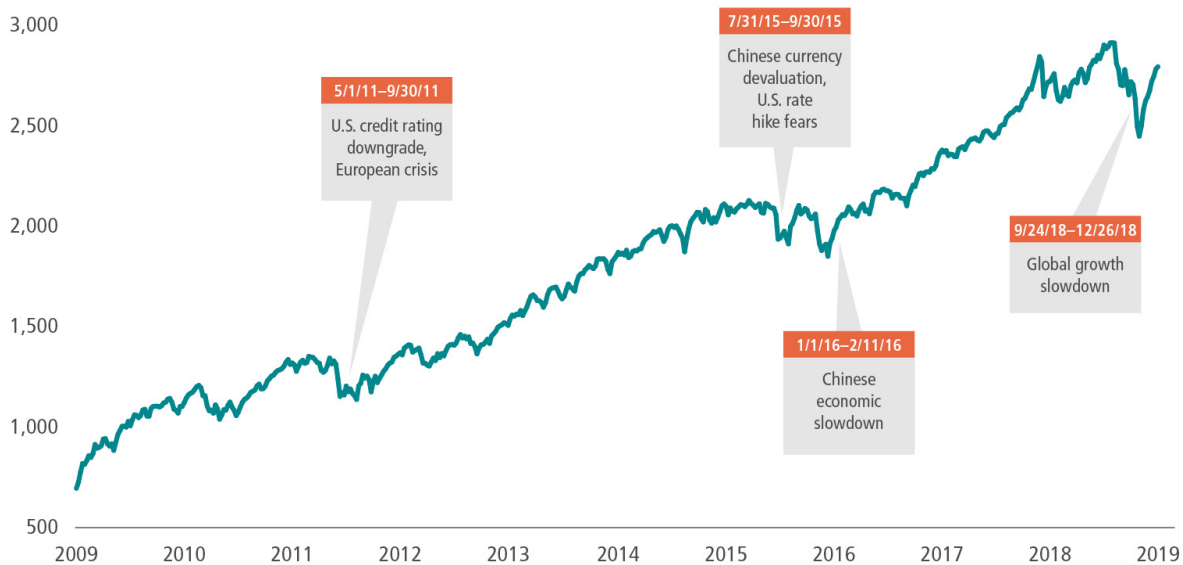
While this bull hasn't been without setbacks and steep declines, its huge overall gains and the accompanying economic recovery have helped restore wealth lost in the financial crisis and lifted the value of some equity portfolios to more than quadruple their levels of March 2009. Here are 10 key things to know about this bull market as it turns 10.

1 Already a record breaker—The bull market didn't need to reach 10 years of age to break the length record. It achieved that distinction on August 22, 2018, when its duration exceeded a bull market that ran from October 1990 until March 2000, when the tech bubble burst.

2 Near-death experience—This bull's closest brush with an untimely demise came on December 24, 2018, when a [three-month-long market decline](#) sent the S&P 500 tumbling 19.8%. Two days later, stocks began a months-long rally, the bull stayed alive, and the bear went back into hibernation. (However, another major stock index, the NASDAQ Composite, did enter a bear market on December 24, as its decline from a recent peak exceeded 20.0%; it then proceeded to return to bull territory by rebounding more than 20.0% by mid-February.)

This bull market has had brushes with death, but it's still going strong at 10

S&P 500 Index prices, 3/6/09 to 3/1/19



Source: U.S. Federal Reserve Bank of St. Louis. The S&P 500 Index tracks the performance of 500 of the largest publicly traded companies in the United States. It is not possible to invest directly in an index. Past performance does not guarantee future results.

3 Wealth builder—The rise in the S&P 500 during the bull market added \$17.5 trillion to the index's total market capitalization as of March 5, 2019, according to S&P Dow Jones Indices. Factor in gains from [dividends](#), and the total rises to \$20.8 trillion. For the entire [U.S. equity market](#)—not just S&P 500 stocks—the total is \$21.3 trillion. That amounts to an average gain of \$64,753 in added wealth per person across the United States, by S&P Dow Jones Indices' estimation.

4 Attractive returns—The S&P 500 has gained 312.4% through March 5 on a price basis, while posting a total return of 408.4%, factoring in reinvested dividends.¹ On an annualized basis, the total return has averaged 17.7%—over three times the market's annualized return of 5.4% dating to the start of 2000, and almost double the 9.6% gain dating to 1990.¹

5 Sector leader—The top-performing S&P 500 sector during the bull market has been consumer discretionary, with a 596.2% price gain through March 5.¹ Information technology is second with 521.4%.

6 Sector laggard—The worst-performing sector has been energy, with a 57.0% gain.¹

7 Small-cap outperformance—The Russell 2000 Index, a common benchmark of [small-cap stock performance](#), has topped the large-cap S&P 500 during the bull market, with a 359.0% price gain versus 311.6%, respectively.²

8 Bond market performance—During this bull market's epic run, longer-term bond yields have gone essentially nowhere. The yield on 10-year U.S. Treasuries on March 9, 2009, was 2.89%; a decade years later, it was around 2.70%. There was plenty of volatility along the way, as the 10-year yield hit a high of 4.01% on April 5, 2010, and a low of 1.37% on July 5, 2011. The U.S. Federal Reserve (Fed) was one of the main reasons for this range-bound trend; through quantitative easing, the Fed purchased trillions of dollars of Treasury debt to help stimulate the stock market. [Today, it's reversing that trend by rolling Treasury debt off its balance sheet.](#)

9 Gold's underperformance—While the S&P 500 powered to its 312.4% bull market gain, the price of an ounce of gold climbed just 41.8% over the same period.³ Many investors buy gold as a hedge against inflation, which has remained muted through most of this bull market.

10 Volatility's decline—The Cboe Volatility Index, which measures investors' expectations of short-term equity market [volatility](#), stood at 49.7 when the bull market started.² As of March 5, 2019, it was just 15.2, close to its historical average.

Financial advisors: Download our white paper to find out what strategies have historically provided value in late-cycle environments, and how other advisors are positioning their clients' portfolios today.

1 S&P Dow Jones Indices, March 2019. 2 <https://finance.yahoo.com/>, 3/1/19. 3 <https://www.macrotrends.net/>, 3/1/19.

Important disclosures

The S&P 500 Index tracks the performance of 500 of the largest publicly traded companies in the United States. The NASDAQ Composite Index is a market-value-weighted index that measures all domestic and non-U.S.-based securities, more than 4,700 companies, listed on the NASDAQ Stock Market. The Russell 2000 Index is an unmanaged index composed of 2,000 U.S. small capitalization stocks. The Cboe Volatility Index (CBOE VIX) shows the market's expectation of a 30-day volatility and is constructed using the implied volatilities of a wide range of S&P 500 Index options. It is not possible to invest directly in an index.

Past performance does not guarantee future results. Large company stocks could fall out of favor.

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