



RETIREMENT & FINANCIAL PLANNING CORNER

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WHAT MAKES A BULL MARKET?

What is a Bull Market?

- A bull market is a period of time in financial markets when the price of an asset or security rises continuously.
- The commonly accepted definition of a bull market is when stock prices rise by 20% after two declines of 20% each.
- A bull market is defined as a 20% gain or more in a stock market index or an individual security.
- The term "bull market" is typically reserved for extended periods in which a large portion of security prices are rising. Bull markets tend to last for months or even years.

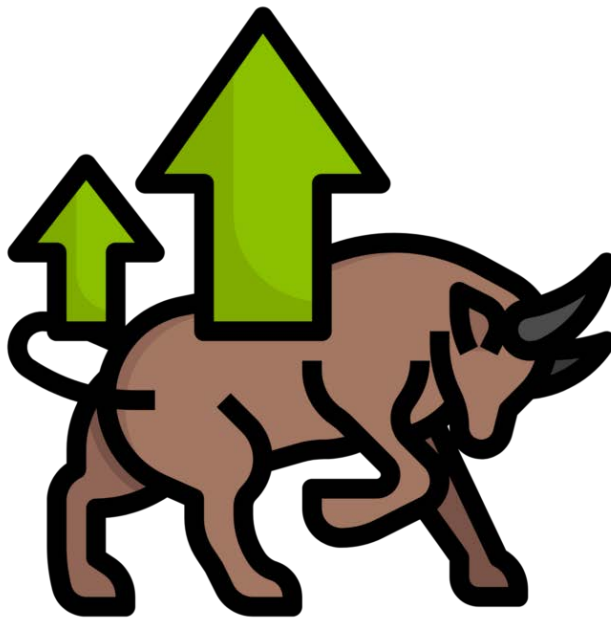


<https://www.investopedia.com/terms/b/bullmarket.asp>

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Bull Market Characteristics

- Bull markets generally take place when the economy is strengthening or when it is already strong.
- Happens in line with strong gross domestic product (GDP) and a drop in unemployment and will often coincide with a rise in corporate profits.
- Investor confidence will also tend to climb throughout a bull market period.
- The overall demand for stocks will be positive, along with the overall tone of the market.
- General increase in the amount of IPO activity during bull markets.



<https://www.forbes.com/advisor/investing/bull-market/#:~:text=A%20bull%20market%20occurs%20with,market%20and%20its%20future%20performance.>

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History of a Bull Market

The longest bull market in U.S. stock market history began in the depths of the financial crisis in 2009 and lasted almost exactly 11 years, until the COVID-19 pandemic brought it to a close.

Specifically, the widely followed S&P 500 index of stocks went from closing at a low of 676.53 points on March 9, 2009, to a peak of 3,386.15 on Feb. 19, 2020, which delivered gains of more than 400% across that period. (Note March 2009 time frame in the below chart)

Bull markets throughout history

Following the market close, the new 2020 bull market is officially in motion

Start	Length (Mo.)	S&P 500 Change
Jun 1932	57.1	324.5%
Apr 1942	49	157.7%
Jun 1949	85.6	266.3%
Oct 1957	49.7	86.4%
Jun 1962	43.5	79.8%
Oct 1966	25.8	48.0%
May 1970	31.6	73.5%
Oct 1974	73.9	125.6%
Aug 1982	60.4	228.8%
Dec 1987	31.4	64.8%
Oct 1990	113.4	417.0%
Oct 2002	60	101.5%
Mar 2009	131.4	400.5%
Mar 2020	4.9	51.0%

SOURCE: S&P Global, FactSet



<https://money.usnews.com/investing/term/bull-market>

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