

# Does the Stock Market Shine in Summertime?

Summertime is synonymous with sunshine, vacations, bathing suits, ice cold beverages and all around fun. However, the climate has been gloomy at times when it comes to the stock market. Sam Stovall, Chief Investment Strategist at Standard & Poor's, informs investors that since 1990 the June through August period has declined in price by 60 basis points on average, throw in September and the return slips to negative 1 percent.

The stock market summer doldrums are thought to be lazy and uneventful. At closer inspection, I am not sure that ideology is entirely accurate. The chart below details the number of days volatility exceeded 1 percent during the summer months since 2006. During this past decade there have been 503 times the market moved by at least 1%; 145 of those occurrences happened in the summer. 1% volatility days are always welcome when the direction is up; it is the down days that spoil things. There were 350 days when the market fell by over 1 percent this past decade. 97 of these trading days occurred in the summer months, or 28% of the time. During this period, the market fell 39 times by over 1 percent in June, making it the biggest loser of all 12 months.

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Jun	7	2	2	3	10	9	9	7	0	2
Jul	5	3	6	5	7	6	4	1	1	5
Aug	1	7	4	6	7	14	1	3	1	7
Total	13	12	12	14	24	29	14	11	2	14
All Months	20	29	58	60	70	94	46	37	19	70
Percent	65%	41%	21%	23%	34%	31%	30%	30%	11%	20%

No one really knows what the market is going to do for sure. Is this summer different or will it be a proxy of the past? With the election looming, interest rates ebbing up, an aging bull market and England's Brexit, only time will tell. If you need assistance with your investment decisions, I can be reached at [Chip@1db.com](mailto:Chip@1db.com).