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ADVISORY & INVESTMENTS

Analysis of Current and Prior Drawdowns

The purpose of the forthcoming data and charts is to give some context to the current drawdown in markets and subsequent recovery we have experienced.

As can be seen in the tables on the next page the current drawdown ranks 3rd across the indices we analyse since the Tech Bubble and Bust of the early 2000's. i.e. one of the worst we've seen but not nearly as deep as the preceding two big corrections.

It is also interesting to note the length of time it took for some of these markets to recover. Ranging from 6 months to nearly 74 months for the S&P500.

On the subsequent pages we also show some charts pertaining to this correction and then compare those to the Global Financial Crisis (GFC). As can be seen during the GFC "bear market rallies" are quite common and the subsequent low in markets comes much later.

We are not suggesting that we have not seen the low yet as this Pandemic is quite unique and the speed and scale of the monetary and fiscal policy responses greater than in prior corrections. The health of the financial services (banking) sector is also better than during the GFC so we are likely to have seen the lows already, but it is not guaranteed that we have as "bear market rallies" are quite normal.

Estimating when countries get back to "normal" activity levels following the opening up of economies and the impact of the shut-downs on earnings and economic data is likely to cause further uncertainty and volatility in coming months.

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Current and Prior Drawdown Data

S&P 500 Total Return Index						
Peak (Start Date)	Trough (End Date)	Time from Peak to Trough	Peak to Trough Drawdown (%)	Recovery Date	Time from Peak to Recovery	Trough to Recovery Return (%)
01.09.2000	09.10.2002	25 months 8 days	-47.41%	23.10.2006	73 months 22 days	90.62%
09.10.2007	09.03.2009	17 months 0 days	-55.25%	02.04.2012	53 months 24 days	123.65%
29.04.2011	03.10.2011	5 months 4 days	-18.64%	03.02.2012	9 months 5 days	23.27%
20.07.2015	11.02.2016	6 months 22 days	-12.96%	18.04.2016	8 months 29 days	14.96%
26.01.2018	08.02.2018	0 months 13 days	-10.10%	25.07.2018	5 months 29 days	11.27%
20.09.2018	24.12.2018	3 months 4 days	-19.36%	12.04.2019	6 months 23 days	24.45%
19.02.2020	23.03.2020	1 months 4 days	-33.79%			

STOXX 600 Europe Net Return Index						
Peak (Start Date)	Trough (End Date)	Time from Peak to Trough	Peak to Trough Drawdown (%)	Recovery Date	Time from Peak to Recovery	Trough to Recovery Return (%)
04.09.2000	12.03.2003	30 months 8 days	-57.87%	12.10.2006	73 months 8 days	137.60%
16.07.2007	09.03.2009	19 months 21 days	-58.69%	08.01.2014	77 months 23 days	142.06%
17.02.2011	22.09.2011	7 months 5 days	-24.41%	14.09.2012	18 months 28 days	32.73%
15.04.2015	11.02.2016	9 months 27 days	-25.21%	04.05.2017	24 months 19 days	34.37%
23.01.2018	26.03.2018	2 months 3 days	-9.39%	22.05.2018	3 months 29 days	10.59%
22.05.2018	27.12.2018	7 months 5 days	-16.05%	16.04.2019	10 months 25 days	19.20%
19.02.2020	18.03.2020	0 months 28 days	-35.36%			

FTSE 100 Total Return Index						
Peak (Start Date)	Trough (End Date)	Time from Peak to Trough	Peak to Trough Drawdown (%)	Recovery Date	Time from Peak to Recovery	Trough to Recovery Return (%)
04.09.2000	12.03.2003	30 months 8 days	-48.18%	27.01.2006	64 months 23 days	93.65%
31.10.2007	03.03.2009	16 months 0 days	-44.79%	22.12.2010	37 months 21 days	82.03%
07.07.2011	04.10.2011	2 months 27 days	-17.58%	20.02.2012	7 months 13 days	21.60%
27.04.2015	11.02.2016	9 months 15 days	-20.02%	05.08.2016	15 months 9 days	25.52%
12.01.2018	26.03.2018	2 months 14 days	-10.53%	22.05.2018	4 months 10 days	15.35%
22.05.2018	27.12.2018	7 months 5 days	-14.47%	02.07.2019	13 months 10 days	17.69%
17.01.2020	23.03.2020	2 months 6 days	-34.21%			

MSCI International Emerging Markets Net Index (USD)						
Peak (Start Date)	Trough (End Date)	Time from Peak to Trough	Peak to Trough Drawdown (%)	Recovery Date	Time from Peak to Recovery	Trough to Recovery Return (%)
10.02.2000	21.09.2001	19 months 11 days	-52.18%	02.03.2004	48 months 21 days	109.75%
29.10.2007	27.10.2008	11 months 28 days	-65.25%	19.07.2017	116 months 20 days	187.95%
02.05.2011	04.10.2011	5 months 2 days	-30.06%	03.09.2014	40 months 1 days	42.57%
28.04.2015	21.01.2016	8 months 24 days	-34.19%	26.05.2017	24 months 28 days	52.05%
26.01.2018	23.03.2020	25 months 26 days	-37.23%			



2020 YTD Drawdowns

S&P 500 - Drawdown



Source: Refinitiv Datastream - 20/04/2020

Stoxx 600 - Drawdown



Source: Refinitiv Datastream - 20/04/2020

FTSE 100 - Drawdown



Source: Refinitiv Datastream - 20/04/2020

NIKKEI 225 - Drawdown



Source: Refinitiv Datastream - 20/04/2020

CSI 300 - Drawdown



Source: Refinitiv Datastream - 20/04/2020

MSCI EM U\$ - Drawdown



Source: Refinitiv Datastream - 20/04/2020

S&P 500 - GFC Drawdown





Stoxx 600 - GFC Drawdown



FTSE 100 - GFC Drawdown



Nikkei 225 - GFC Drawdown



CSI 300 - GFC Drawdown



MSCI EM US\$ - GFC Drawdown

