



Investing in Turbulent Times

The Russian attack on Ukraine is dominating the news. Heavy sanctions have been levied. What should be done? The answer, as we've been hinting in the last two pieces, is probably not too much, at least not yet. The chart below, kindly provided by our friends at Strategas, helps show why.

S&P 500 PERFORMANCE FOLLOWING SIGNIFICANT HISTORICAL EVENTS

Event	Date	Day of	+20 Days	+65 Days	+125 Days	+250 Days
Germany Invades France	5/10/1940	-3.0%	-23.6%	-15.0%	-3.1%	-19.6%
Pearl Harbor	12/7/1941	-3.8%	0.3%	-10.5%	-5.6%	3.7%
JFK Assassinated	11/22/1963	-2.8%	6.3%	11.8%	15.7%	23.9%
Penn Central Bankruptcy	6/21/1970	-0.5%	0.4%	8.1%	17.5%	31.1%
Oil Embargo	10/16/1973	0.1%	-5.3%	-13.3%	-15.0%	-35.4%
Pres. Nixon Resigns	8/9/1973	-0.9%	-13.8	-7.1%	-2.8%	6.7%
Continental Illinois Bailout	5/9/1984	-0.3%	-3.2%	3.3%	5.3%	12.4%
1987 Stock Market Crash	10/19/1987	-20.5%	9.7%	8.1%	15.3%	22.4%
Iraq Invades Kuwait	8/2/1990	-1.1%	-9.3%	-11.3%	-3.0%	10.0%
Soros Breaks Bank of England	9/16/1992	0.0%	-2.5%	3.7%	7.5%	10.0%
First World Trade Center Bombing	2/26/1993	0.2%	1.0%	2.4%	3.8%	6.3%
Asian Financial Crisis	10/8/1997	-0.9%	-3.2%	-3.6%	13.1%	1.1%
U.S.S Cole Yemen Bombing	10/12/2000	-2.6%	5.3%	0.0%	-11.0%	-17.5%
9/11 Terror Attacks	9/11/2001	-4.9%	4.9%	10.0%	12.2%	-14.3%
Iraq War	3/20/2003	0.2%	2/0%	12.1%	17.2%	28.3%
Bear Stearns Collapse	3/14/2008	-2.1%	3.1%	4.9%	-3.0%	-41.7%
Lehman Brothers Collapse	9/15/2008	-4.7%	15.9%	-23.4%	-36.8%	12.6%
BREXIT	6/24/2016	-3.6	6.4%	6.0%	11.2%	19.5%

This chart shows the performance of the S&P 500 across different time frames after significant events. In most cases, especially after geopolitical events, the index rebounded in a matter of weeks or months. The market even rebounded nicely after Pearl Harbor. The market tends to do the worst after events that are symptomatic of larger financial issues, like the Lehman collapse. At the moment, this looks more like a geopolitical event than a financial one. If that perception begins to change, then action may be more appropriate.

One of the major variables that could change that perception is energy. No sanctions have been imposed on Russia's energy complex, nor have they cut off supplies. This has kept oil prices below \$100 dollars per barrel, which is tolerable in most economies. Developments in this key market may well decide if this war becomes a larger global financial issue.

As always, if you want to discuss this or any other topic, please reach out to us.

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