

# A Short Study of the Worst Weeks in the Investment Markets Since the Great Depression

## The Worst 5 Day Periods

Calendar Week	Oct/Nov Occurrence	Return	Recent Month	Recent 6 Months	Next Month	Next 6 Months	Next Year	Annualized
								Next 3 Years
<b>10/6/08 - 10/10/08</b>	X	(18.2%)	(27.0%)	(33.9%)				
7/17/33 - 7/21/33		(15.5%)	(7.5%)	43.9%	12.9%	18.5%	3.7%	23.0%
5/13/40 - 5/17/40		(14.2%)	(16.3%)	(17.7%)	(1.1%)	8.5%	(6.5%)	3.3%
4/4/32 - 4/8/32		(12.9%)	(29.2%)	(40.5%)	(9.3%)	(7.0%)	(1.3%)	18.3%
10/3/32 - 10/7/32	X	(12.4%)	(21.6%)	(5.3%)	3.0%	(6.2%)	59.1%	27.8%
Averages		(14.6%)	(20.3%)	(10.7%)	1.4%	3.5%	13.8%	18.1%
<b>Trailing 5 Bus. Days, ending:</b>								
10/29/1929	X	(29.5%)	(33.3%)	(26.7%)	5.1%	21.0%	(17.1%)	(35.4%)
10/19/1987	X	(27.3%)	(28.6%)	(21.6%)	6.8%	14.7%	23.2%	11.6%
10/20/1987	X	(24.7%)	(23.7%)	(17.2%)	2.2%	8.1%	19.4%	9.9%
11/11/1929	X	(19.4%)	(37.5%)	(32.3%)	17.3%	22.6%	(21.4%)	(32.4%)
10/28/1929	X	(18.8%)	(24.4%)	(17.0%)	(7.3%)	6.3%	(25.2%)	(37.7%)
11/12/1929	X	(18.6%)	(40.5%)	(35.6%)	15.9%	28.8%	(15.5%)	(32.1%)
<b>10/9/2008</b>	X	(18.3%)	(25.7%)	(32.8%)				
<b>10/10/2008</b>	X	(18.2%)	(27.0%)	(33.9%)				
10/10/1932	X	(17.9%)	(19.2%)	(7.0%)	12.1%	6.2%	68.9%	31.5%
9/14/1932		(17.6%)	4.4%	(18.8%)	(3.1%)	(5.7%)	58.9%	26.4%
Averages		(21.0%)	(25.6%)	(24.3%)	6.1%	12.8%	11.4%	(7.3%)

- This calendar week (ending 10/10/2008) was the worst since 1928 (the beginning of our data set) and the 7<sup>th</sup> and 8<sup>th</sup> worst Trailing 5-day periods
- Three of the five bleakest calendar weeks were exclamation marks on tortuous 6-month experiences (6 months ending 10/7/32 would have been positive w/o final week)
- Near-term recoveries out of the worst calendar weeks were mixed, but more positive under Trailing 5-day criterion following 1932 and 1987
- Longer-term recoveries from all calendar weeks were positive; recoveries from worst Trailing 5-days: positive following 1932 and 1987, significantly negative following 1929