



SIFMA Insights

May Market Metrics and Trends

A Look at Monthly Volatility and Equity and Listed Options Volumes

June 2022

Monthly Metrics

- Volatility (VIX): Monthly average 29.45; +20.8% M/M, +49.0% Y/Y
- S&P 500 (Price): Monthly average 4,040.36; -8.0 M/M, -2.9% Y/Y
- Equity ADV (billion shares): Monthly average 13.2; +12.4% M/M, +24.2% Y/Y
- Options ADV (million contracts): Monthly average 40.5; +5.3% M/M, +14.2% Y/Y

Monthly Highlight

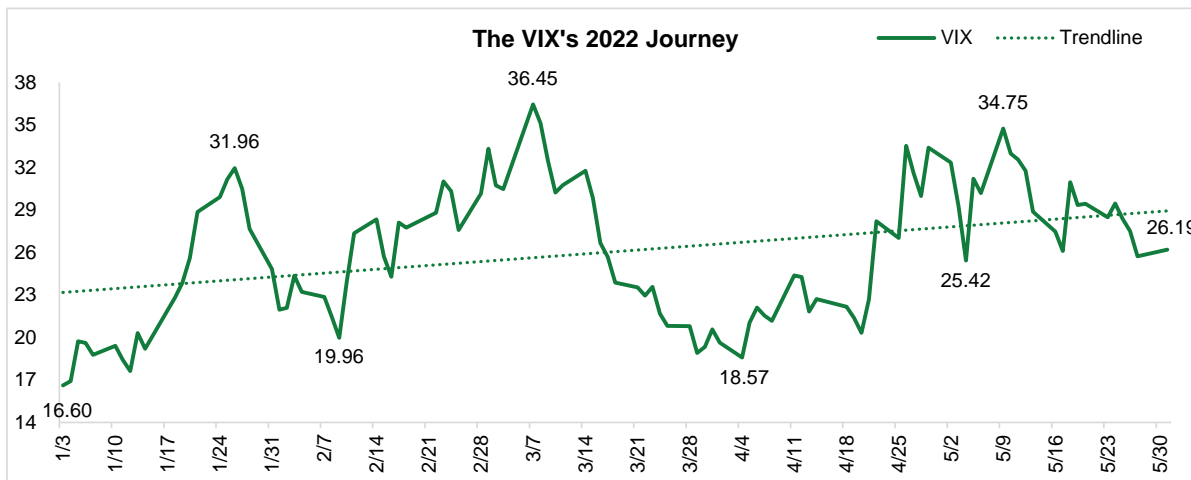
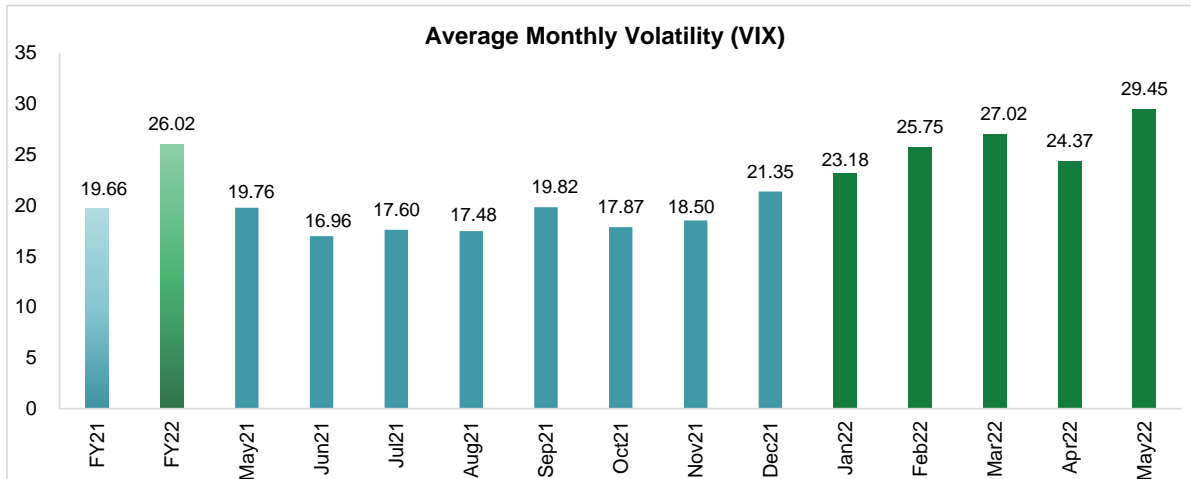
- The S&P 500 index continues to decline, with the index now marking the worst start to the year for markets since 1970: actual price -664.41 points, -14%; target price -195.06 points, -4%.
- Despite all the negativity in economic data and markets, equity strategists expect the S&P 500 to be in the low 5,000 range in 12 months' time, a >200% increase vs. YTD average price (& LY's total average price).
- Best/worst performing sector for the month: energy +15.0% / real estate -5.1%
- Best/worst performing sector for the year: energy +55.7% / consumer discretionary -24.9%

Monthly Market Metrics

In this section, we highlight the monthly market trends for volatility, price, and volumes.

Volatility (VIX)

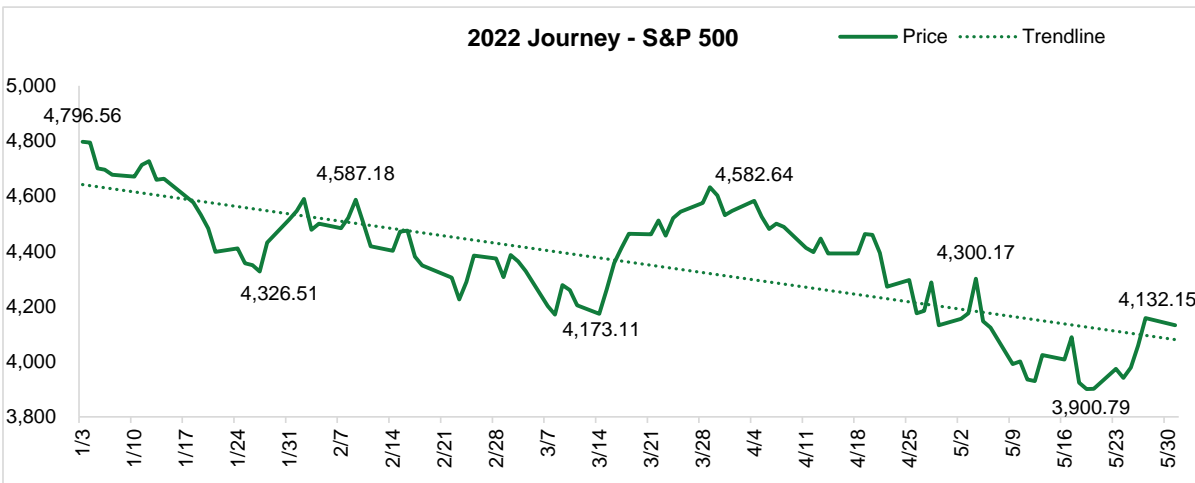
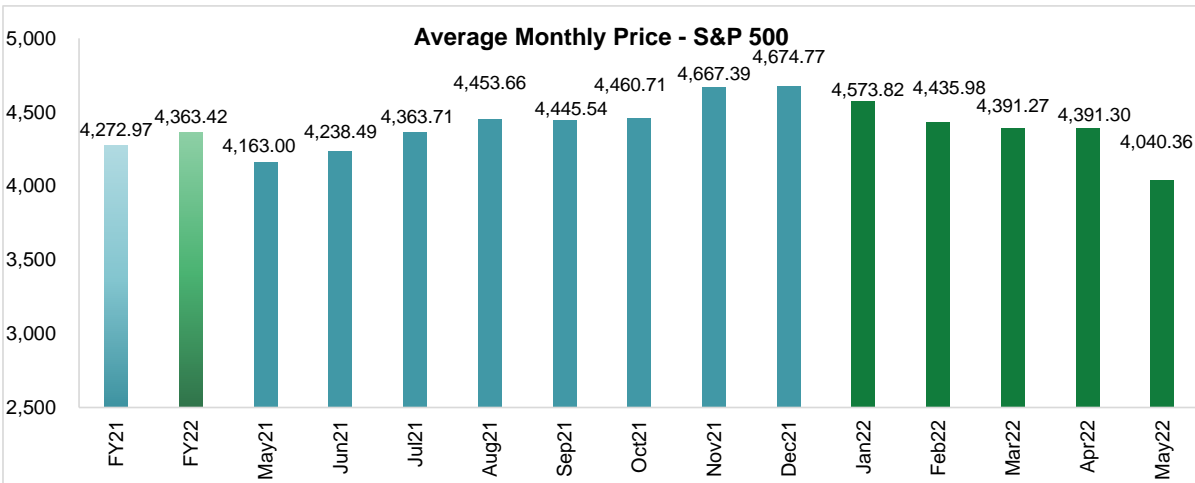
- Monthly average 29.45
 - +20.8% M/M
 - +49.0% Y/Y
 - +77.4% from the start of the year
- Monthly peak on the 9th at 34.75, troughed on the 4th at 25.42



Source: Bloomberg, SIFMA estimates

Index Price (S&P 500)

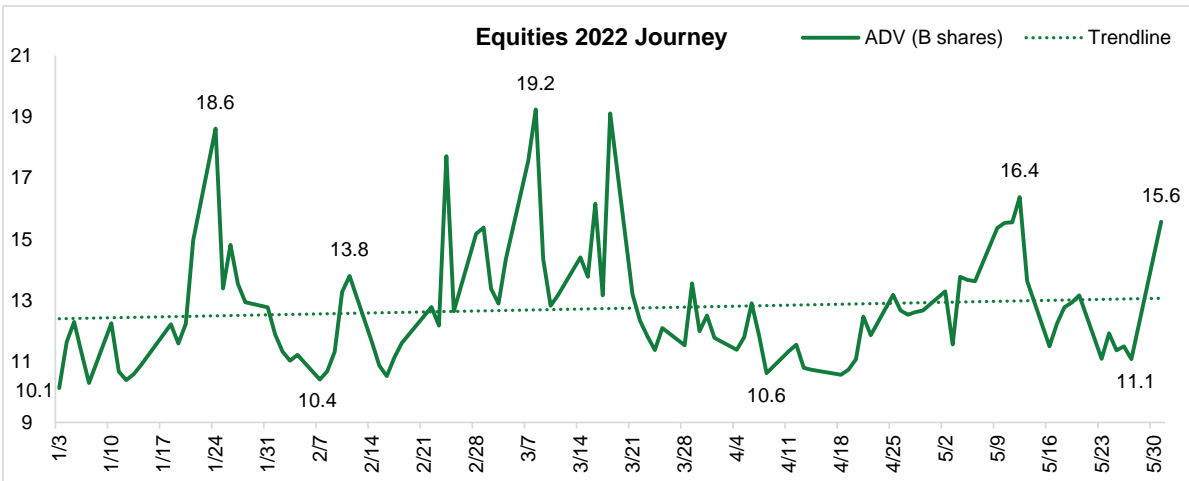
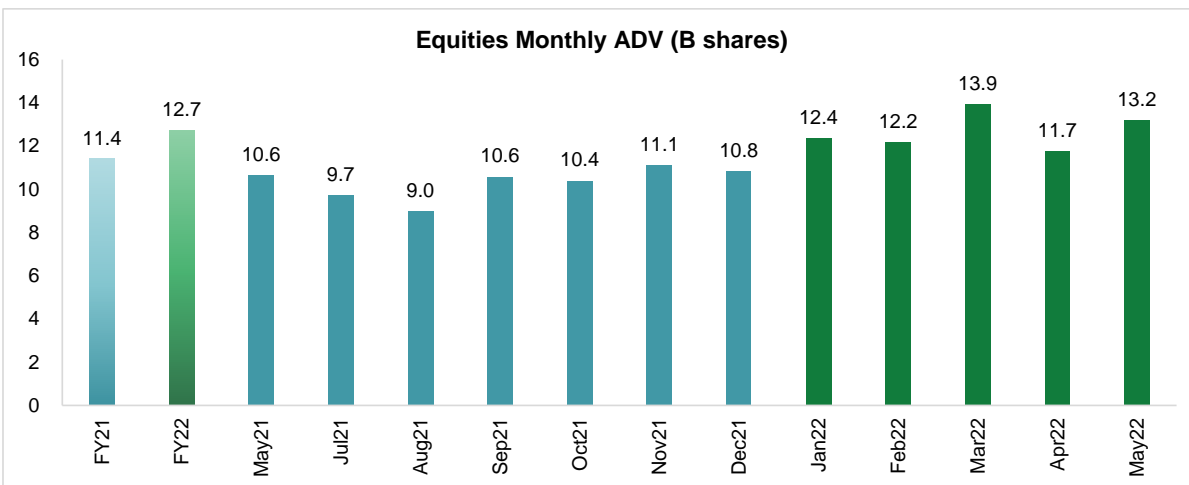
- Monthly average 4,040.36
 - -8.0 M/M
 - -2.9% Y/Y
 - -15.8% from the start of the year
- Monthly peak on the 4th at 4,300.17, troughed on the 19th at 3,900.79



Source: Bloomberg, SIFMA estimates

Equity Volumes (ADV)

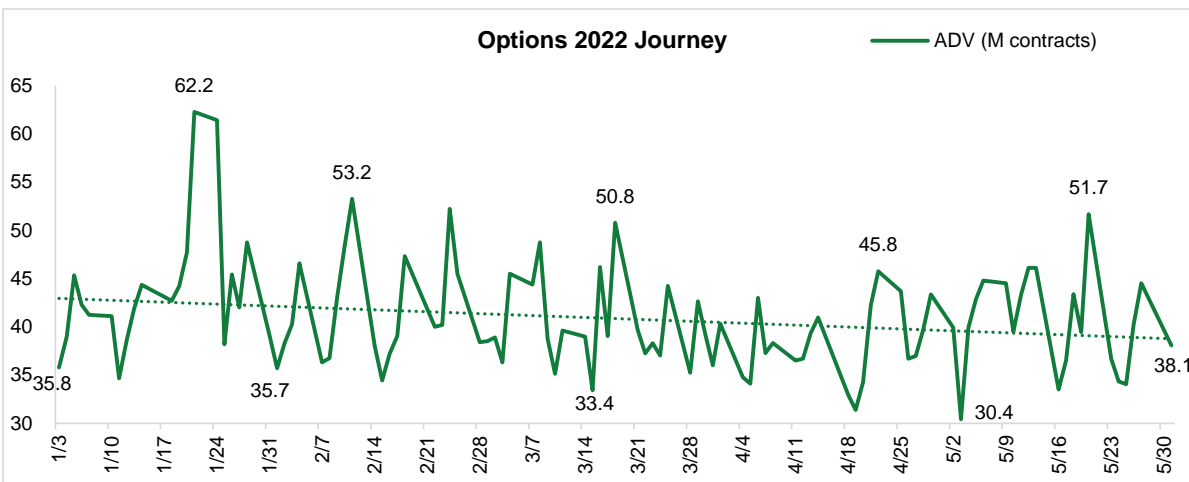
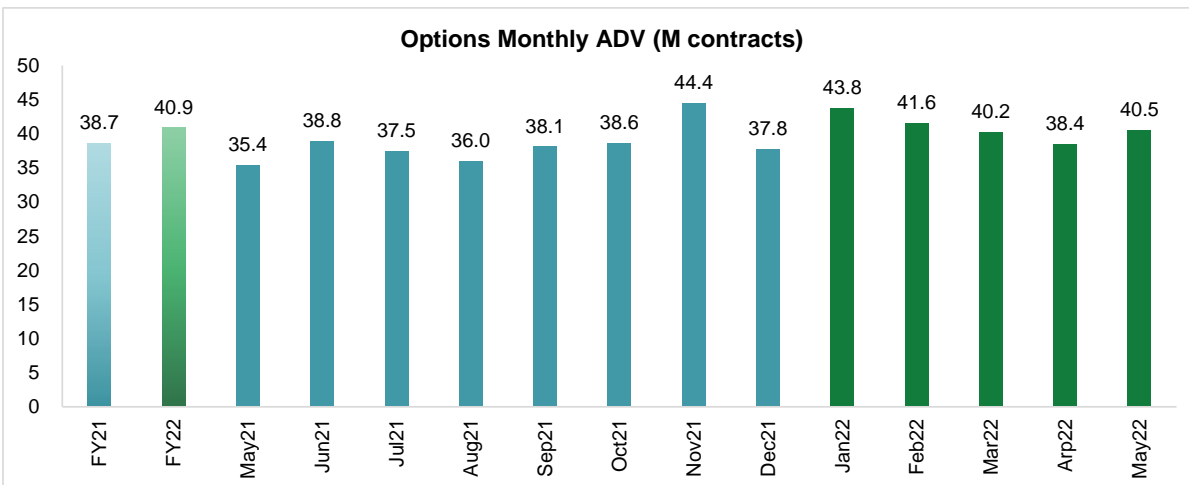
- Monthly average 13.2 billion shares
 - +12.4% M/M
 - +24.2% Y/Y
 - +30.5% from the start of the year
- Monthly peak on the 12th at 16.4 billion shares, troughed on the 27th at 11.1 billion shares
- Monthly average off exchange trading 40.2%; -2.0 pps M/M, -2.2 pps Y/Y



Source: Cboe Global Markets, SIFMA estimates

Multi-Listed Options Volumes (ADV)

- Monthly average 40.5 million contracts
 - +5.3% M/M
 - +14.2% Y/Y
 - +13.0% from the start of the year
- Monthly peak on the 20th at 51.7 million contracts, troughed on the 3rd at 30.4 million contracts
- Monthly equity options 37.6 million contracts (+4.2% M/M, +12.5% Y/Y), index options 2.9 million contracts (+22.9% M/M, +42.1% Y/Y)



Source: Cboe Global Markets, SIFMA estimates

Monthly Highlight

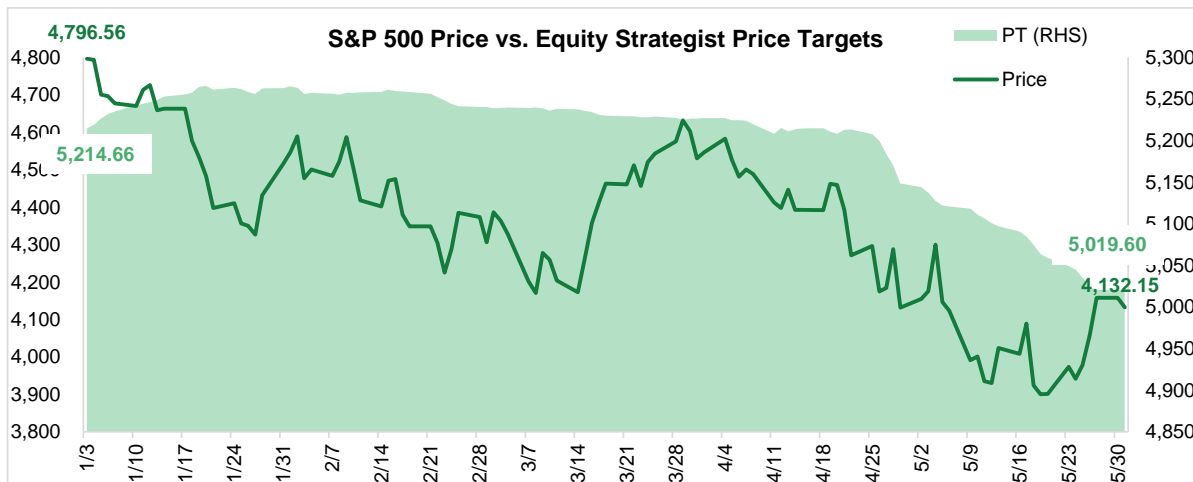
In this section we drill down into an interesting trend that market participants are following.

Where Are We & Where Do We Go from Here

The price of the S&P 500 index continues to decline, with the index now marking the worst start to the year for markets since 1970. As economic and geopolitical factors continue to develop, and the actual S&P 500 index price declines, so too have equity strategists lowered their 12-month price targets. (We note that price targets represent a 12-month view – where we could be next May, not today or in a few months.)

- Actual Price – the price of the index has fallen 664.41 points since the start of the year (from 4,796.56 to 4,132.15), -14%
- Target Price – the average 12-month price target has fallen 195.06 points since the start of the year (from 5,214.66 to 5,019.60), -4%

Despite all the negativity in economic data and in the markets today, strategists expect the S&P 500 to be in the low 5,000 range in twelve months' time. This would be a >200% increase for markets versus the YTD average price (and last year's total average price). We just have to get through this rough patch.

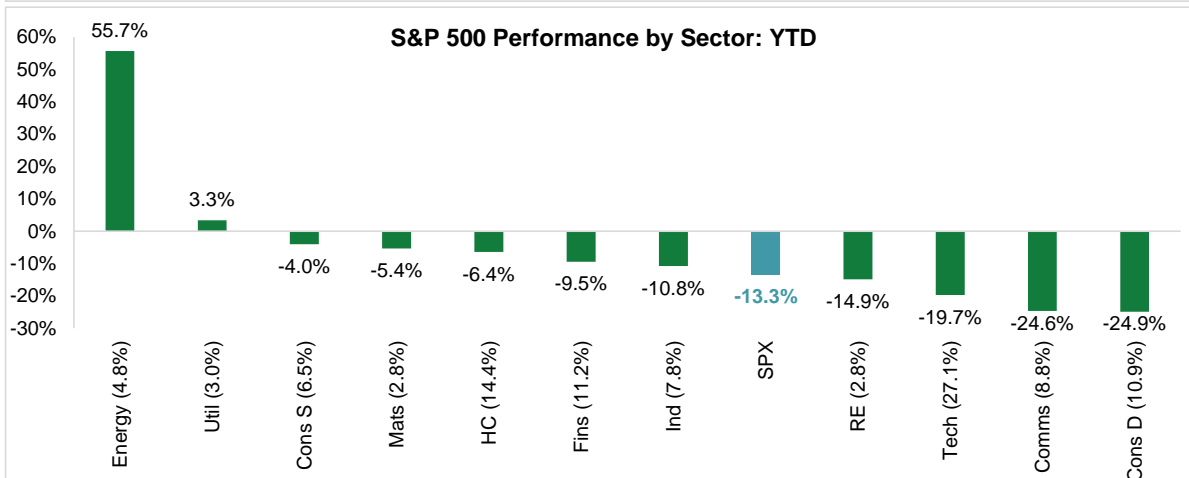
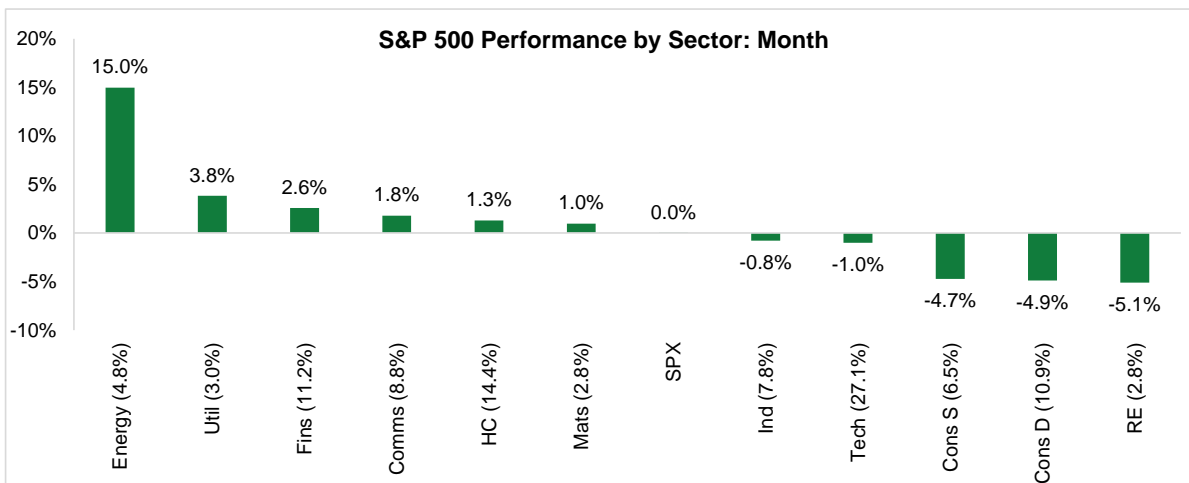


Source: Bloomberg, SIFMA estimates

Market Performance – by Sector

Looking at market performance by sector, we highlight the following:

- Best performer –
 - May = energy, +15.0%
 - YTD = energy, +55.7%
- Worst performer –
 - May = real estate, -5.1%%
 - YTD = consumer discretionary, -24.9%
- The overall index was flat for the month, as technology (27.1% weight) and consumer discretionary (10.9% weight) posted smaller declines: (month/year) -1.0%/-19.7% and -4.9%/-24.9% respectively



Source: Bloomberg, SIFMA estimates

Note: Parenthesis indicate sector weight in the index. Cons S = consumer staples, HC = healthcare, Mats = materials, RE = real estate, Ind = industrials, Fins = financials, Tech = technology, Cons D = consumer discretionary, Comms = telecommunications

Author

SIFMA Insights

Katie Kolchin, CFA
Director of Research
kkolchin@sifma.org

Disclaimer: This document is intended for general informational purposes only and is not intended to serve as investment advice to any individual or entity.

SIFMA Insights can be found at: <https://www.sifma.org/insights>

SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry's nearly 1 million employees, we advocate on legislation, regulation, and business policy, affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.

This report is subject to the Terms of Use applicable to SIFMA's website, available at <http://www.sifma.org/legal>. Copyright © 2022