



SIFMA Insights

June Market Metrics and Trends

A Look at Monthly Volatility and Equity and Listed Options Volumes

July 2022

Monthly Metrics

- Volatility (VIX): Monthly average 28.10; -4.6% M/M, +65.7% Y/Y
- S&P 500 (Price): Monthly average 3,898.95; -3.5% M/M, -8.0% Y/Y
- Equity ADV (billion shares): Monthly average 13.4; +1.4% M/M, +20.5% Y/Y
- Options ADV (million contracts): Monthly average 39.8; -1.7% M/M, +2.4% Y/Y

Monthly Highlight

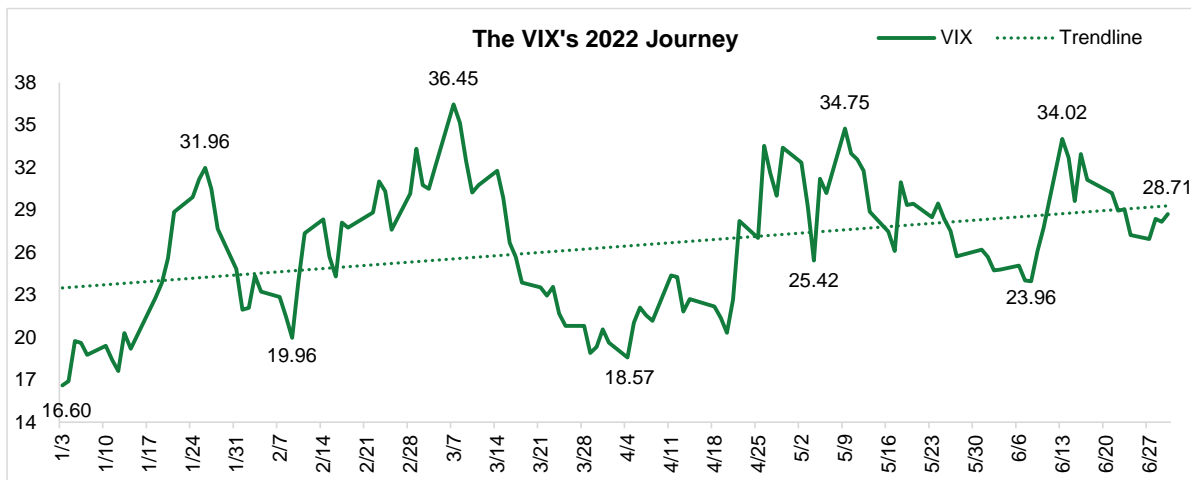
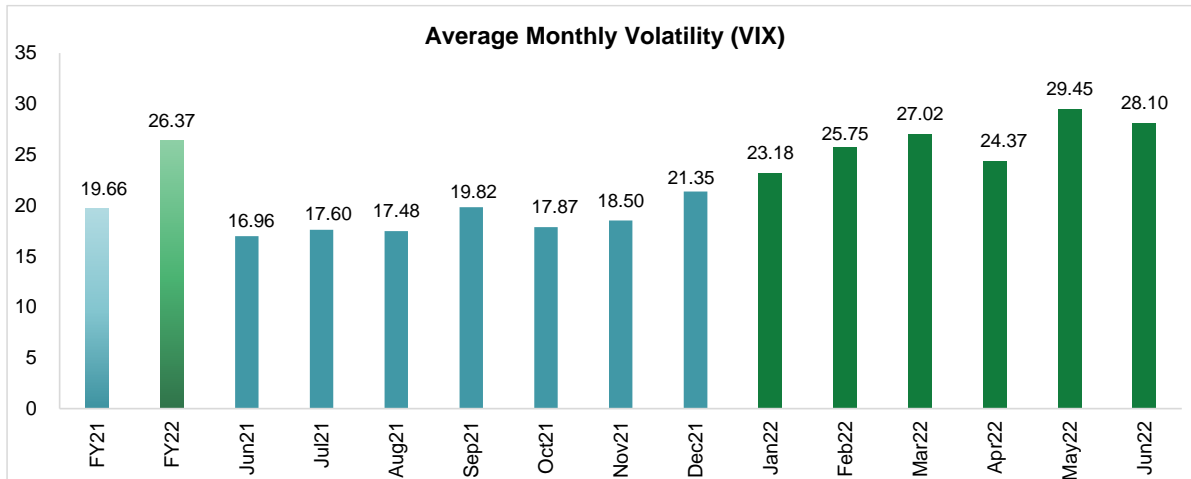
- Six months into the year, the S&P 500 posted the worst 1H total return since 1962 (YTD index price -20.6%)
- Best/worst performing sector for the month: healthcare -2.8% / energy -17.0%
- Best/worst performing sector for the year: energy +29.2% / consumer discretionary -33.1%
- Equity strategists' 12-month price targets for the S&P 500 index have come down from the start of the year: total index -5.4% YTD; 63.6% of the 11 sectors have come down, 36.4% have increased

Monthly Market Metrics

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

Volatility (VIX)

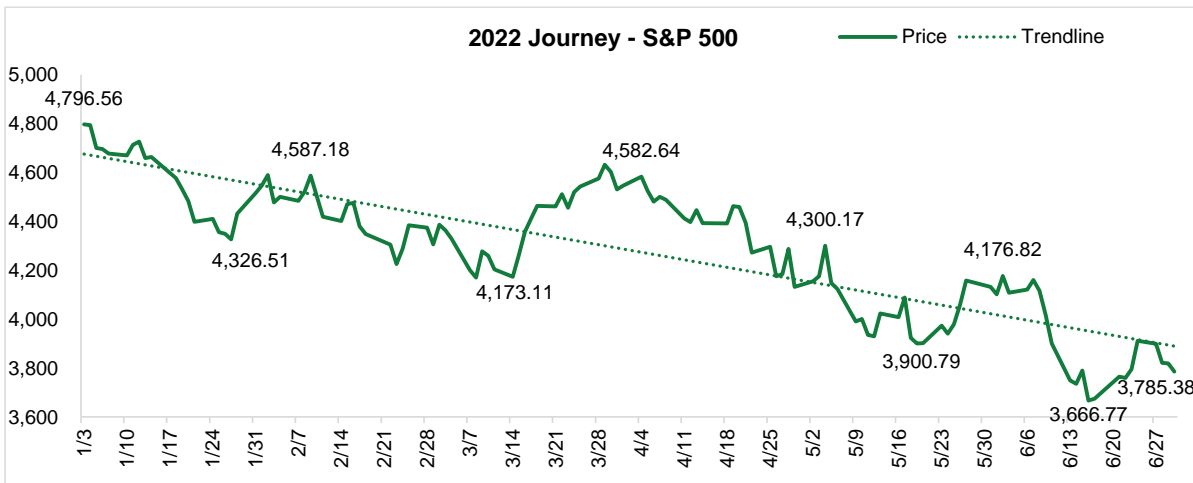
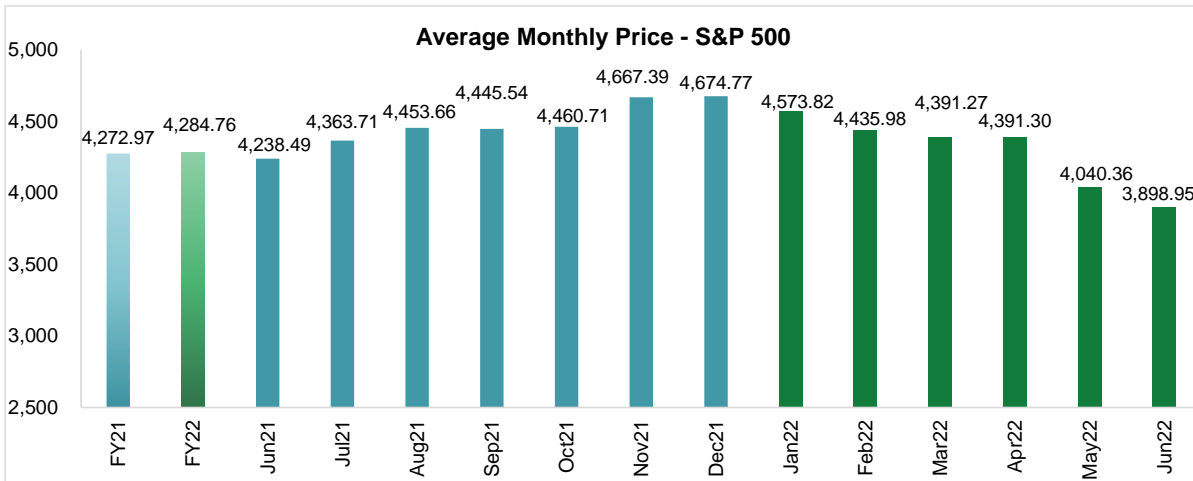
- Monthly average 28.10
 - -4.6% M/M
 - +65.7% Y/Y
 - +69.3% from the start of the year
- Monthly peak on the 13th at 34.02, troughed on the 8th at 23.96



Source: Bloomberg, SIFMA estimates

Index Price (S&P 500)

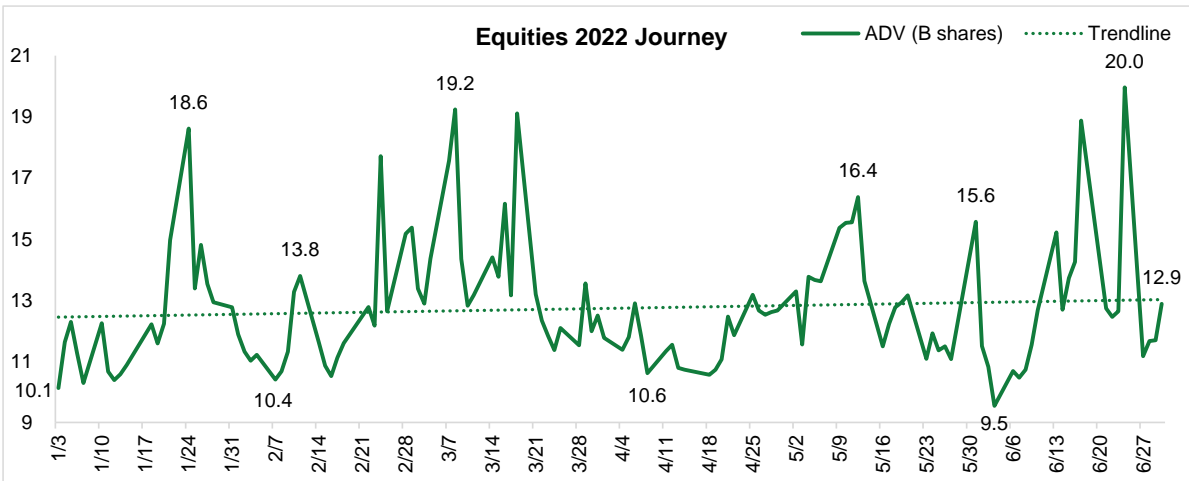
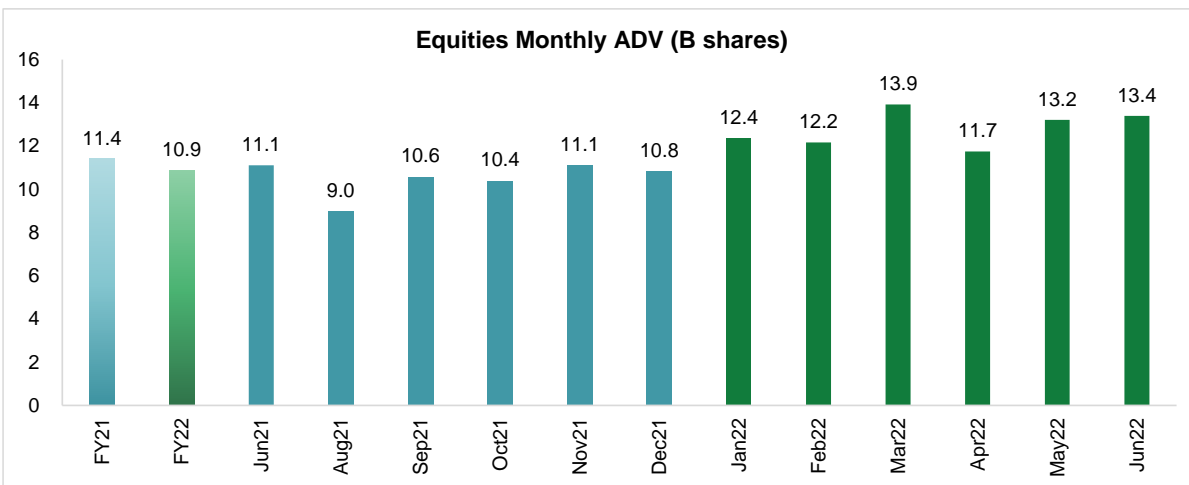
- Monthly average 3,898.95
 - -3.5 M/M
 - -8.0% Y/Y
 - -18.7% from the start of the year
- Monthly peak on the 2nd at 4,176.82, troughed on the 16th at 3,666.77



Source: Bloomberg, SIFMA estimates

Equity Volumes (ADV)

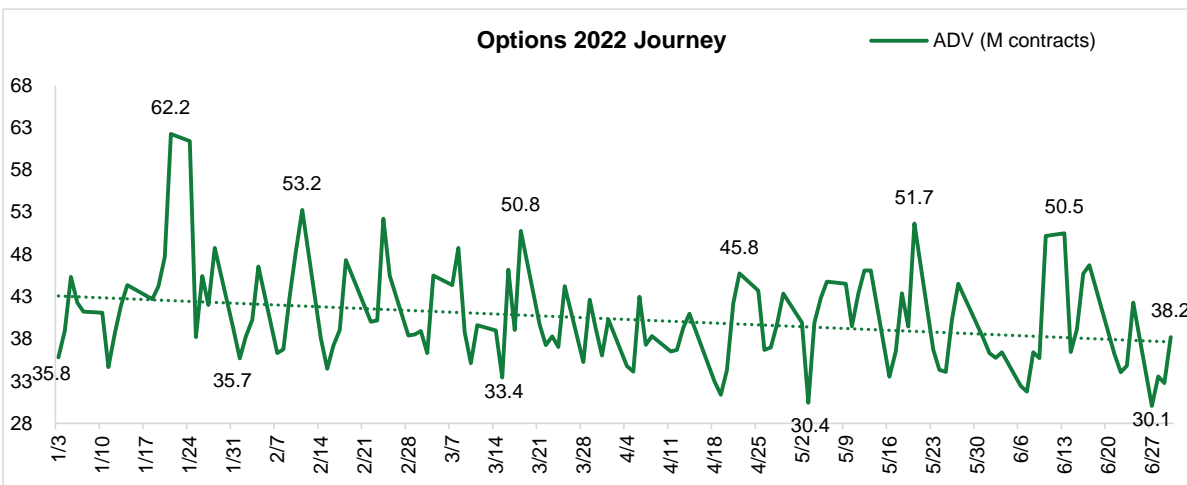
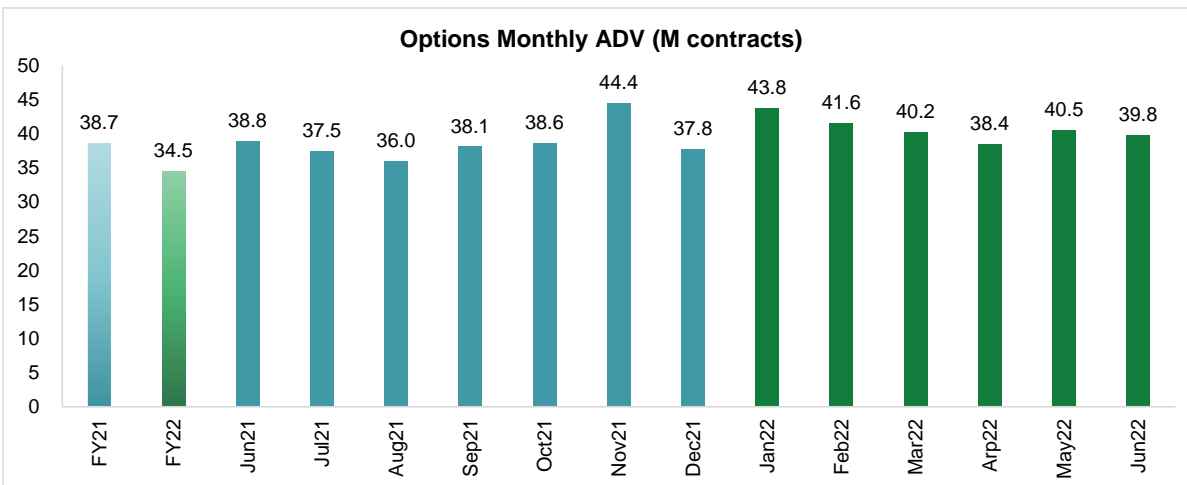
- Monthly average 13.4 billion shares
 - +1.4% M/M
 - +20.5% Y/Y
 - +32.3% from the start of the year
- Monthly peak on the 24th at 20.0 billion shares, troughed on the 3rd at 9.5 billion shares
- Monthly average off exchange trading 41.3%; +1.1 pps M/M, -2.5 pps Y/Y



Source: Cboe Global Markets, SIFMA estimates

Multi-Listed Options Volumes (ADV)

- Monthly average 39.8 million contracts
 - -1.7% M/M
 - +2.4% Y/Y
 - +11.1% from the start of the year
- Monthly peak on the 13th at 50.5 million contracts, troughed on the 27th at 30.1 million contracts
- Monthly equity options 36.8 million contracts (-2.2% M/M, -0.8% Y/Y), index options 3.0 million contracts (+4.3% M/M, +66.9% Y/Y)



Source: Cboe Global Markets, SIFMA estimates

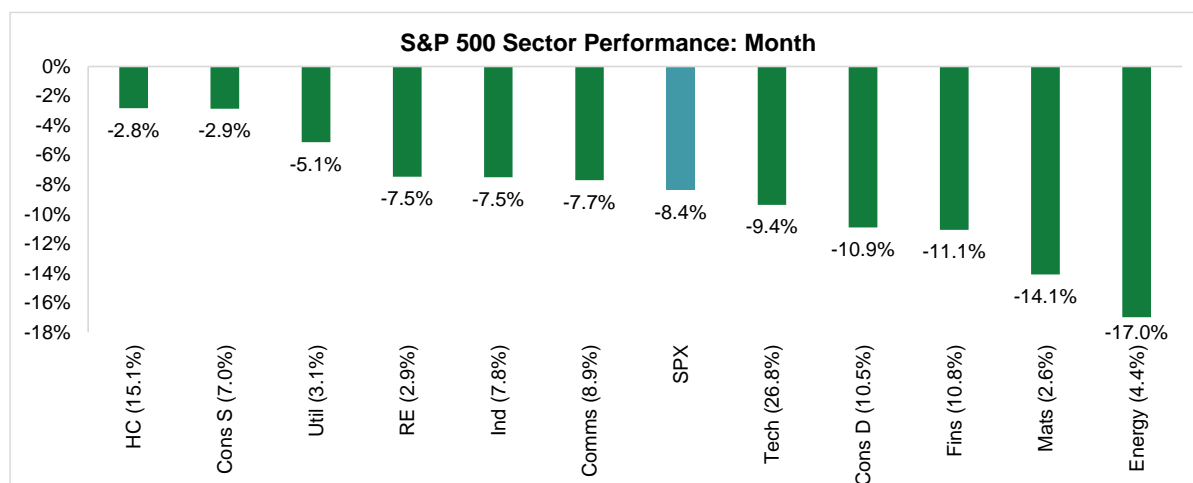
Monthly Highlight

In this section we drill down into an interesting trend that market participants are following. Six months into the year, we assess where markets have gone and where they could go for the rest of the year. Spoiler alert, it is not good. The S&P 500 posted the worst H1 total return since 1962 (YTD index price -20.6%).

Market Performance by Sector – for the Month

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

- All sectors were negative for the month
- Total index -8.4%
- Best performing sector = healthcare, -2.8%
- Worst performing sector = energy, -17.0%
- Technology (26.8% weight) and consumer discretionary (10.5% weight) continue to weigh on market performance: -9.4% and -10.9% respectively



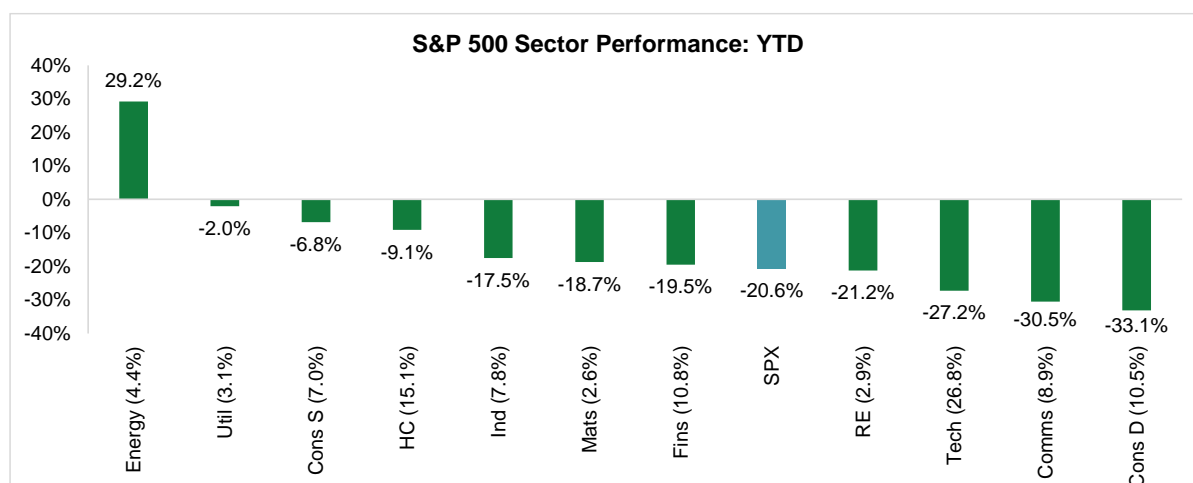
Source: Bloomberg, SIFMA estimates

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

Market Performance by Sector – for the Year

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

- Energy remains the only positive sector for the year, albeit it declined in June
- Total index -20.6%
- Best performing sector = energy, +29.2%
- Worst performing sector = consumer discretionary, -33.1%
- Along with consumer discretionary (10.5% weight), technology (26.8% weight) and communications (8.9% weight) continue to weigh on market performance: -27.2% and -30.5% 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

Where Could We Go from Here – Strategist Estimates

Inflation remains high. The recession timing guessing game continues, if we are not already in it. As such, equity strategists' 12-month price targets (PT) for the S&P 500 index have come down from the start of the year. This is the case for the total index and most sectors.

We highlight the following:

- Total index PT now 4,926.62 vs. 5,214.76 at the start of the year
 - Down 5.4% YTD
 - Still a +30.2% upside to the June 30 closing price of 3,785.38
- PT changes by sector
 - Decreased = 7 (63.6% of the total)
 - Increased = 4 (36.4% of the total)

	Price		Change		
	Jan 3	Jun 30	YTD \$	YTD %	Month
Communications	320.03	265.28	↓ (54.75)	-17.2%	-3.1%
Consumer Discretionary	1,750.91	1,523.60	↓ (227.31)	-12.6%	-3.6%
Technology	3,322.78	3,050.13	↓ (272.65)	-8.2%	-1.9%
SPX	5,214.76	4,929.62	↓ (285.14)	-5.4%	-1.7%
Financials	727.82	687.99	↓ (39.83)	-5.3%	-2.1%
Real Estate	329.86	315.63	↓ (14.23)	-4.1%	-3.1%
Industrials	983.77	943.90	↓ (39.87)	-4.0%	-0.8%
Healthcare	1,743.61	1,739.70	↓ (3.91)	0.0%	-0.5%
Materials	605.76	609.34	↑ 3.58	0.7%	-2.0%
Consumer Staples	822.11	847.64	↑ 25.53	3.1%	-0.7%
Utilities	369.67	394.78	↑ 25.11	6.9%	-0.6%
Energy	508.72	708.01	↑ 199.29	39.2%	2.3%

Source: Bloomberg, SIFMA estimates

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