



Monthly Market Metrics and Trends: June

Analyzing Volatility, Market Performance, and Equity and Listed Options Volumes
Plus a Look at a Key Equity Markets Theme for the Month

July 2023

Monthly Metrics

- Volatility (VIX): Monthly average 13.99; -20.7% M/M, -50.2% Y/Y
- S&P 500 (Price): Monthly average 4,345.37; +4.8% M/M, +11.4% Y/Y
- Performance (month/year): best = consumer disc/tech +10.6%/+42.1%; worst = comms/energy +1.4%/-7.3%
- Equity ADV: Monthly average 11.3 billion shares; +6.0% M/M, -11.6% Y/Y
- Options ADV: Monthly average 44.7 million contracts; +6.2% M/M, +18.0% Y/Y

Monthly Highlight

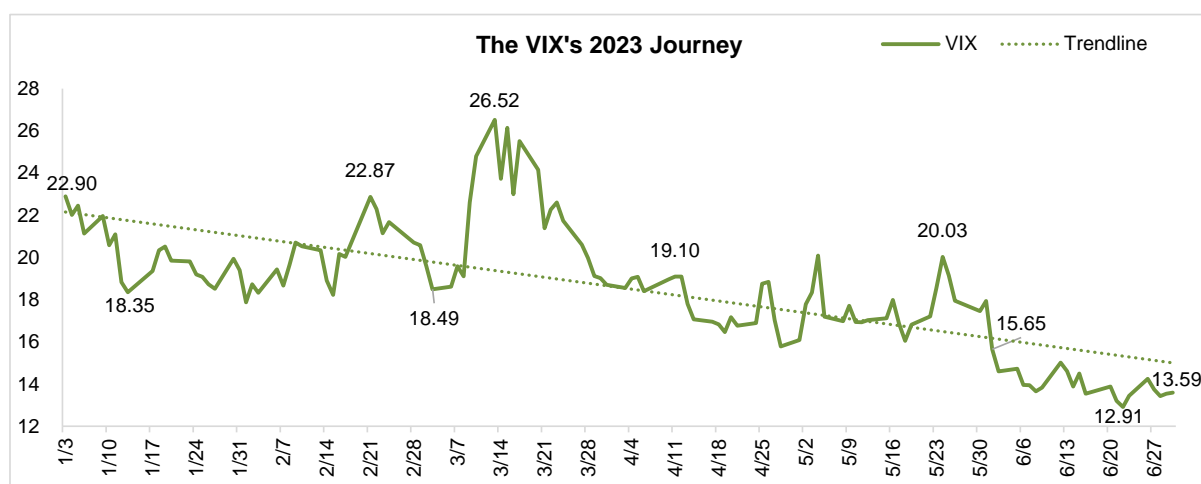
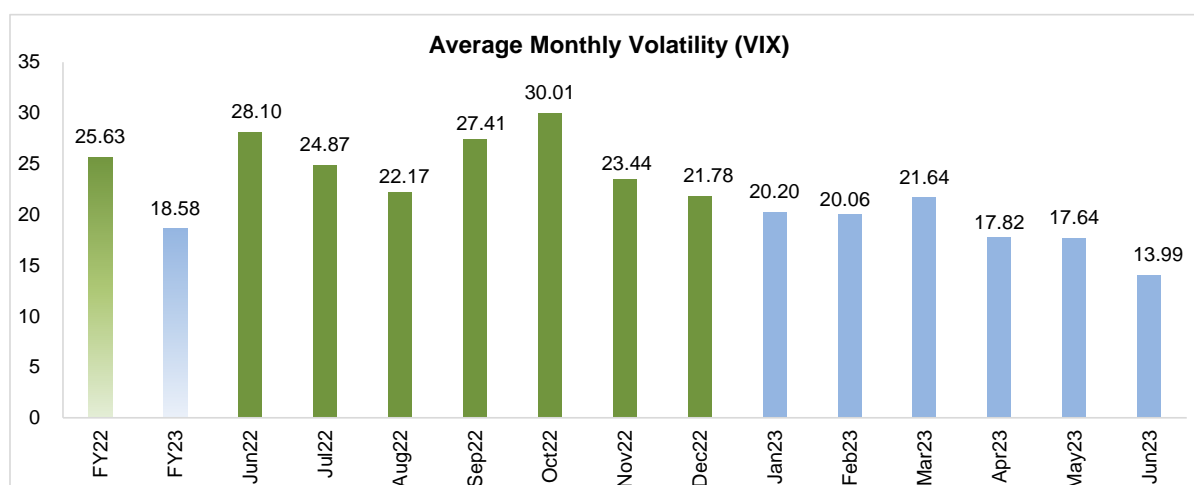
- While they say do not fight the Fed, markets have been fighting...and winning. Despite strong rhetoric about future rate hikes from the Fed, markets posted a strong June performance, with the S&P 500 +16.4% Y/Y.
- Since 1990, June market performance was positive 64.7% of the time, full year was positive 69.7% of the time
- Since 1990, when June posted positive market performance, the full year was positive 54.5% of the time – 18 years positive June/positive full year, 7 years negative June/negative full year, 8 years the correlation broke
- Since 2013, when June posted positive market performance, the full year was positive 60.0% of the time – 6 years positive June/positive full year, 1 year negative June/negative full year, 3 years the correlation broke
- June 2023 was positive – how will we end the year?

Monthly Market Metrics

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

Volatility (VIX)

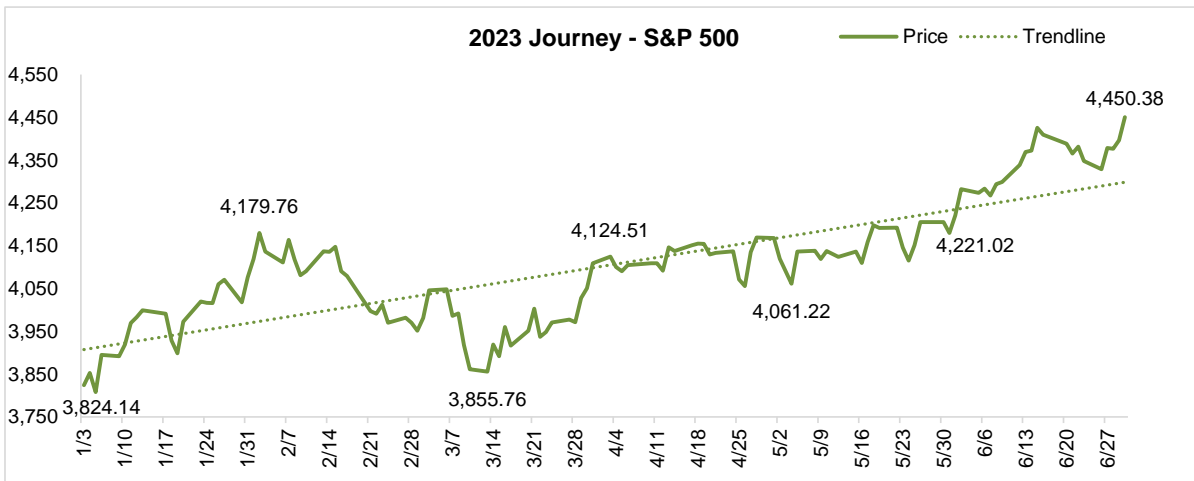
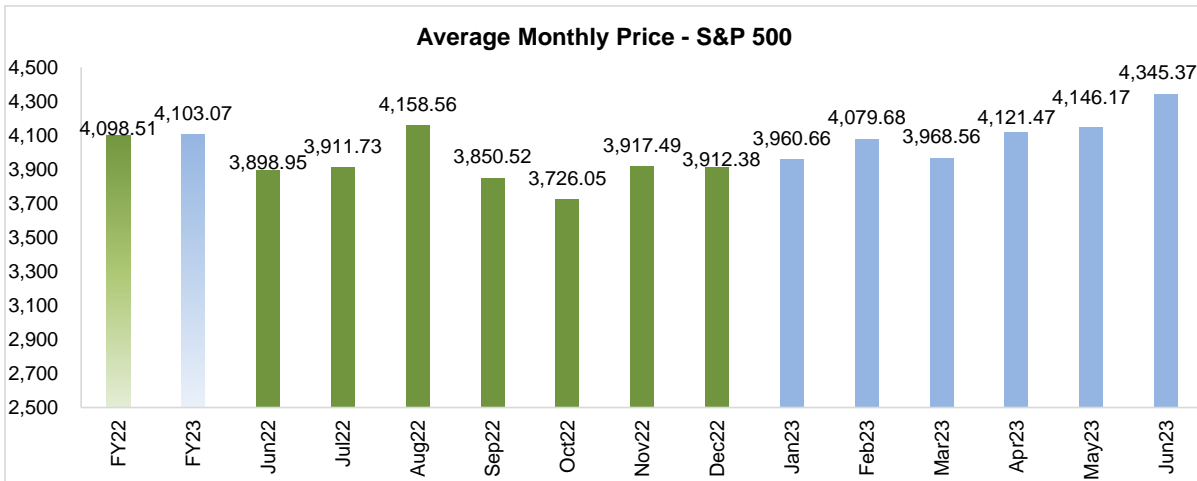
- Monthly average 13.99
 - 20.7% M/M
 - 50.2% Y/Y
 - 38.9% from the start of the year
- Monthly peak on the 1st at 15.65, troughed on the 22nd at 12.91



Source: Bloomberg, SIFMA estimates

S&P 500 Index: Price

- Monthly average 4,345.37
 - +4.8% M/M
 - +11.4% Y/Y
 - +13.6% from the start of the year
- Monthly peak on the 30th at 4,450.38, troughed on the 1st at 4,221.02

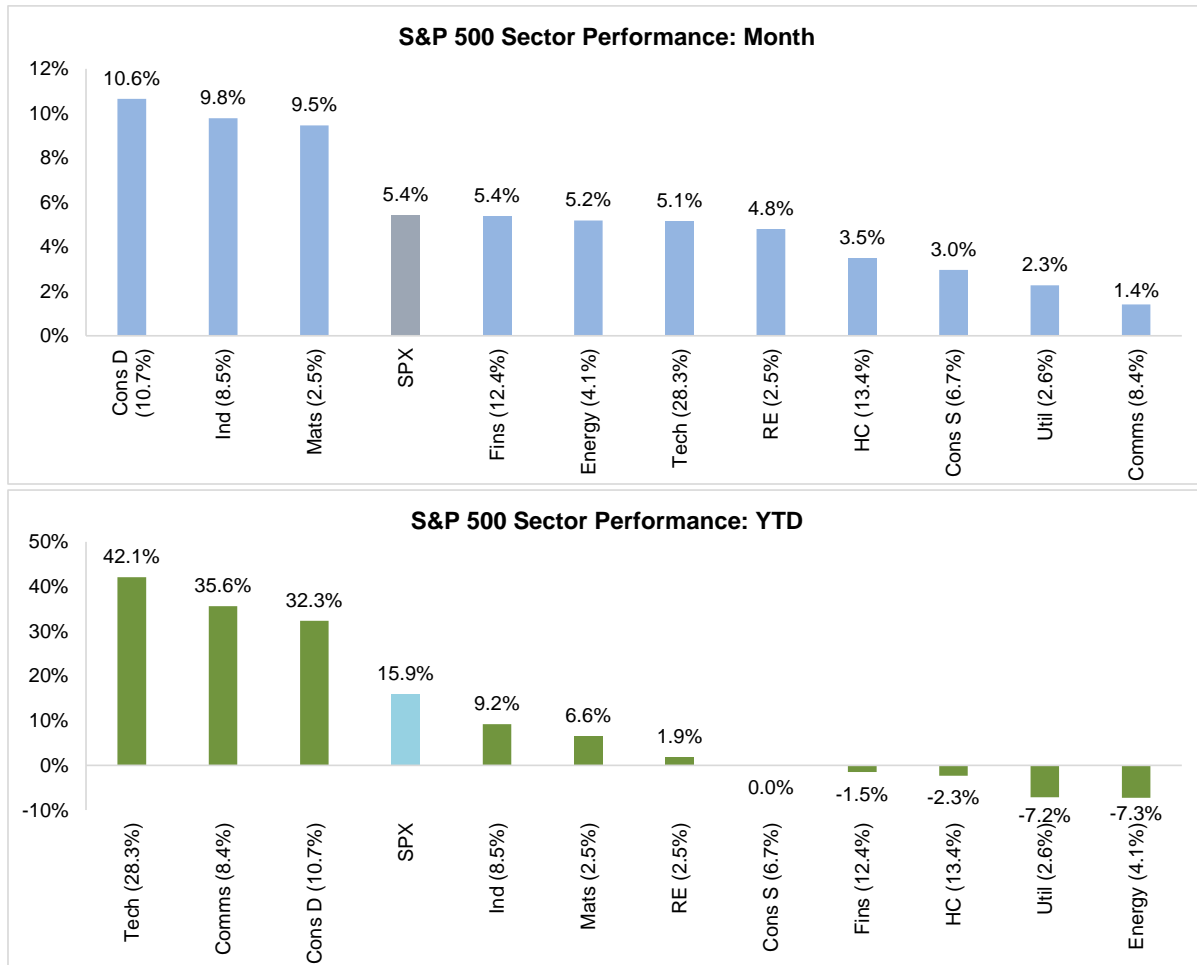


Source: Bloomberg, SIFMA estimates

S&P 500 Index: Sector Breakout

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

- Best performing sectors
 - Month = consumer discretionary at +10.6% and industrials at +9.8%
 - YTD = technology at +42.1% and communications at +35.6%
- Worst performing sectors
 - Month = communications at +1.4% and utilities at +2.3%
 - YTD = energy at -7.3% and utilities at -7.2%

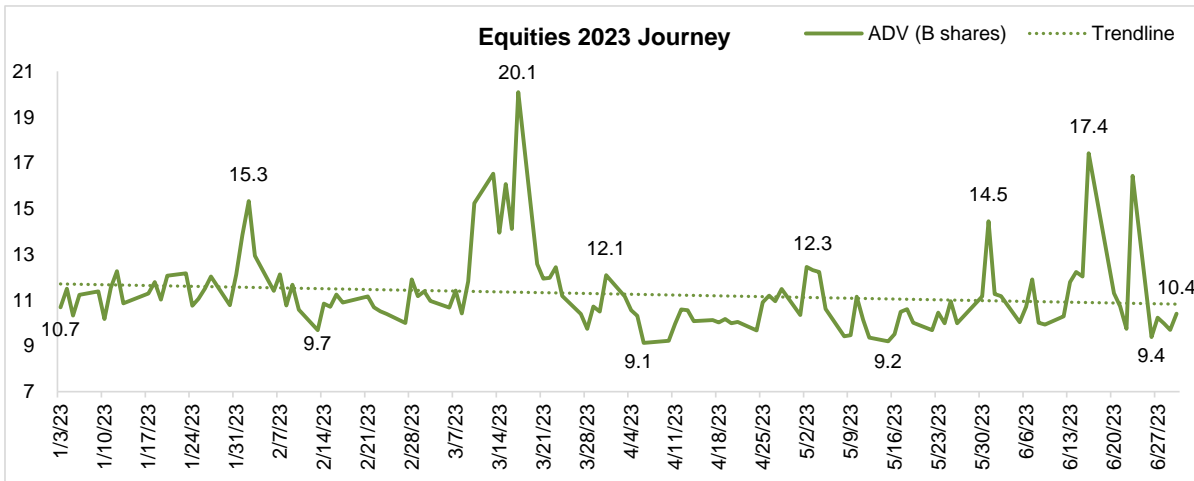
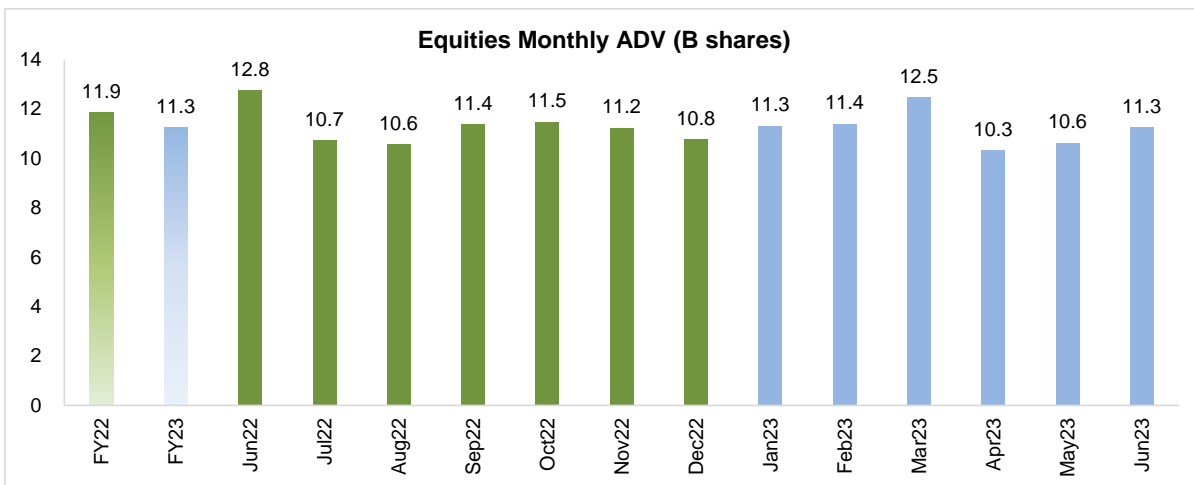


Source: Bloomberg, SIFMA estimates

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, Util = utilities

Equity Volumes (ADV)

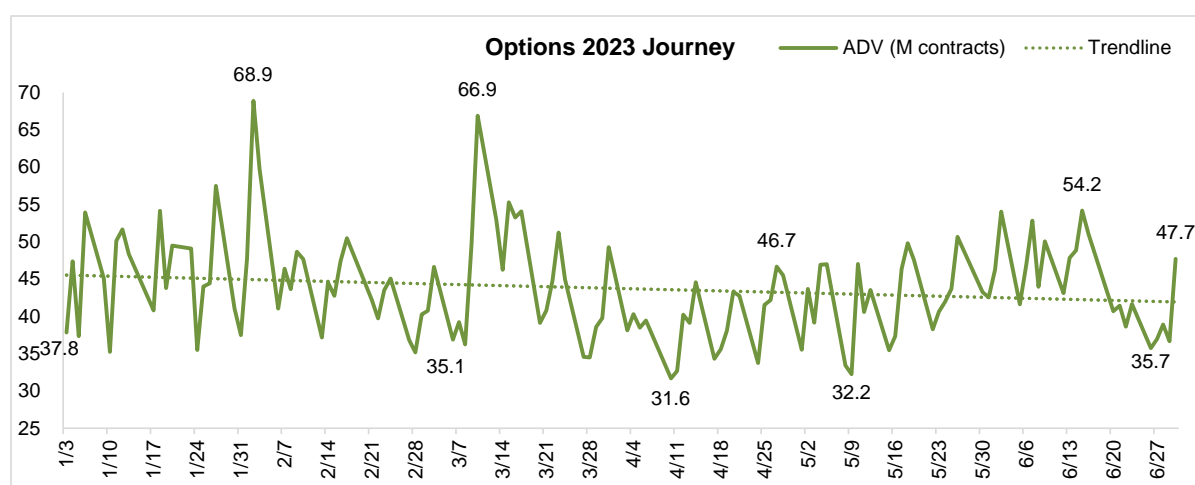
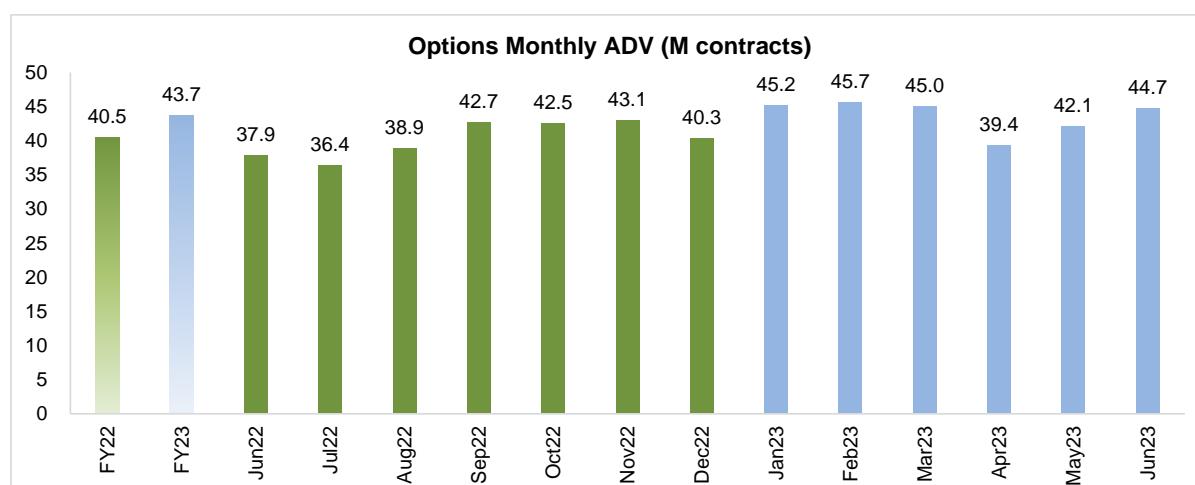
- Monthly average 11.3 billion shares
 - +6.0% M/M
 - -11.6% Y/Y
 - +5.5% from the start of the year
- Monthly peak on the 16th at 17.4 billion shares, troughed on the 26th at 9.4 billion shares
- Monthly average off exchange trading 43.1%; +0.1 pps M/M, +1.8 pps Y/Y



Source: Cboe Global Markets, SIFMA estimates

Multi-Listed Options Volumes (ADV)

- Monthly average 44.7 million contracts
 - +6.2% M/M
 - +18.0% Y/Y
 - +18.2% from the start of the year
- Monthly peak on the 15th at 54.2 million contracts, troughed on the 26th at 35.7 million contracts
- Monthly equity options 40.8 million contracts (+6.0% M/M, +16.4% Y/Y), index options 3.9 million contracts (+8.6% M/M, +38.0% 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.

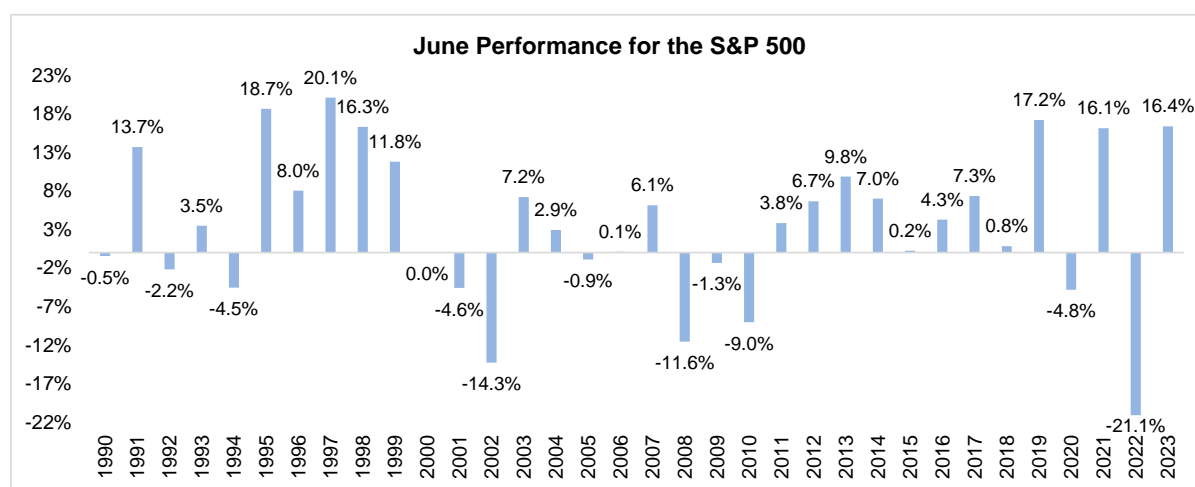
Does Half Year Performance Lead to Full Year?

While they say do not fight the Fed, markets have been fighting...and winning. Despite strong rhetoric about future rate hikes – i.e. the Fed's inflation war is not over – coming from the Fed in June, markets posted a strong monthly performance, with the S&P 500 +16.4% Y/Y.

While not exactly a January barometer, history has shown that when the half year performance for the S&P 500 was positive, momentum can push through to create positive performance for the full year. In this note, we look back in history to see how often this a positive performance through June can lead to positive full year performance.

Since 1990, June market performance was positive 64.7% of the time:

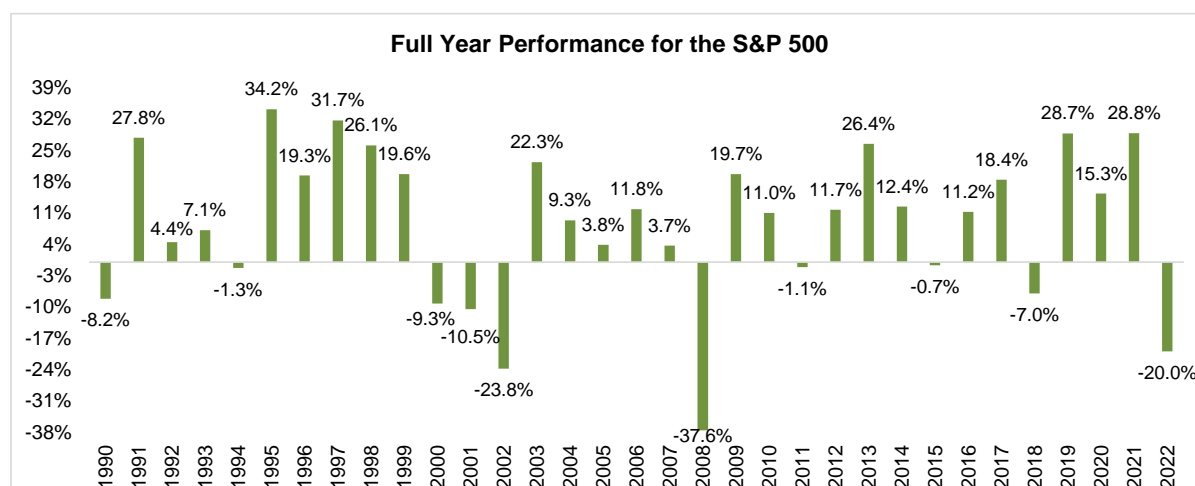
- 22 positive months
 - Ranged from +0.1% to +20.1%
 - 1997 was the best performance at +20.1%
 - 2023 was +16.4%, the fourth best performance
- 12 negative months
 - Ranged from -0.04% to -21.1%
 - 2022 was the worst performance at -21.1%



Source: Bloomberg, SIFMA estimates

Since 1990, full year market performance was positive 69.7% of the time:

- 23 positive months
 - Ranged from +3.7% to +34.2%
 - 1995 was the best performance at +34.2%
- 10 negative months
 - Ranged from -0.7% to -37.6%
 - 2008 was the worst performance at -37.6%
 - Last year was negative at -20.0%, the third worst performance



Source: Bloomberg, SIFMA estimates

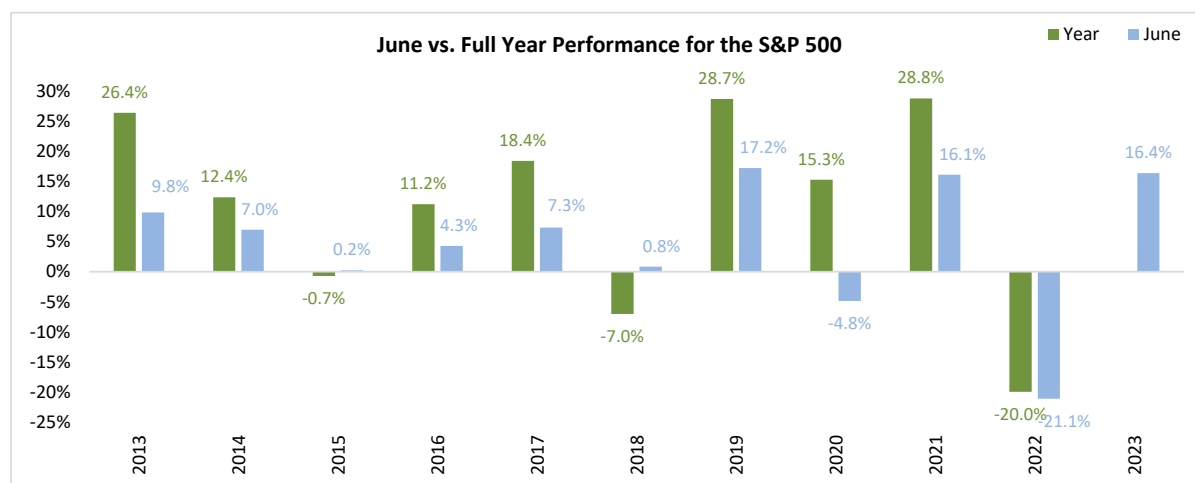
Since 1990, when June posted positive market performance, the full year performance was positive 54.5% of the time:

- 18 years with a positive June and a positive full year
- 7 years with a negative June and a negative full year
- 8 years where the correlation broke
 - 3 years where June was positive but the year ended negative
 - 5 years where June was negative but the year ended positive

Looking back over the last decade, since 2013, when June posted positive market performance, the full year performance was positive 60.0% of the time:

- 6 years with a positive June and a positive full year
- 1 year with a negative June and a negative full year
- 3 years where the correlation broke
 - 2 years where June was positive but the year ended negative
 - 1 year where June was negative but the year ended positive

2023 posted a positive June market performance. Will we be going for the 19th positive/positive year?



Source: Bloomberg, SIFMA estimates

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