



## RESEARCH

### Insights

# Monthly Market Metrics and Trends: March

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

April 2024

#### Monthly Highlight

- The VIX had normalized in 2023, returning more in line with historical levels. That trend continues in 2024. YTD, the VIX has averaged 13.71, -18.6% Y/Y, -10.9% to pre COVID levels, and -39.2% to 2010 levels.
- The picture is not as clear when looking at a daily VIX chart. From through the end of March this year, the trendline is actually flat, becoming downward sloping from mid-2020 to the end of March this year.
- Could the lower averages be benefiting from lower lows and smaller spreads between peaks and troughs? YTD, the 12.44 minimum is +3.1% Y/Y but lower than the early post COVID levels. The spread between peaks and troughs is much lower than historical levels (3.41 YTD), -88.8% to 2010, -75.5% to 2019, and -76.4% Y/Y.
- Volatility appears to be settling down to a lower normalized level. That said, risks and upcoming events exist – geopolitical, economic soft landing or not, election – which could shift volatility patterns.

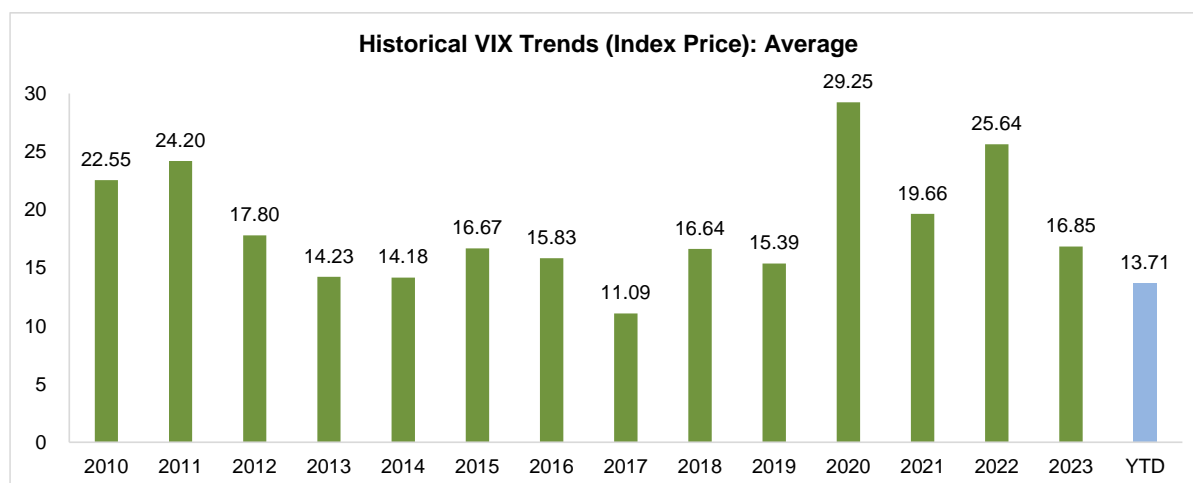
#### Monthly Metrics

- Volatility (VIX): Monthly average 13.79; -1.1% M/M, -36.3% Y/Y
- S&P 500 (Price): Monthly average 5,170.57; +3.2% M/M, +30.3% Y/Y
- Performance (month/year): best = energy/comms +9.1%/+16.6%; worst = cons disc/real estate -0.4%/-2.3%
- Equity ADV: Monthly average 12.0 billion shares; +2.5% M/M, -3.8% Y/Y
- Options ADV: Monthly average 46.1 million contracts; -3.3% M/M, +2.4% Y/Y

## Monthly Highlight

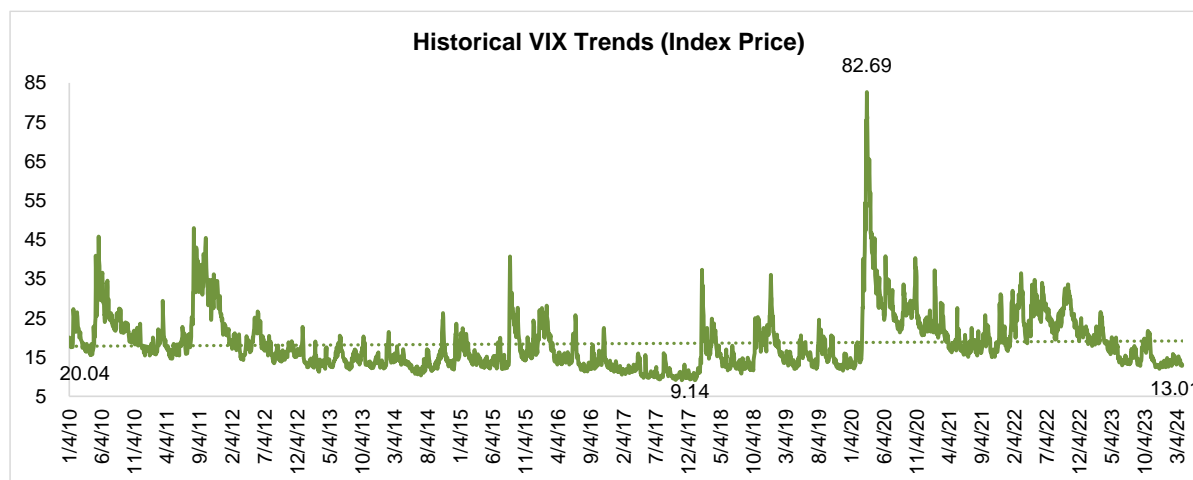
### Declining Volatility

In our Equity Market structure Compendium,<sup>1</sup> we noted that the VIX normalized in 2023, returning more in line with historical levels. The average VIX in 2023 was 16.85, -34.3% Y/Y, on its way back down to pre COVID levels, 15.39 in 2019. That trend continues in 2024. YTD, the VIX has averaged 13.71, -18.6% Y/Y and -10.9% to pre COVID levels. The average VIX YTD has shown a distinct decline since 2010, -39.2% to the 2010 average of 22.55.



Source: Bloomberg, SIFMA estimates

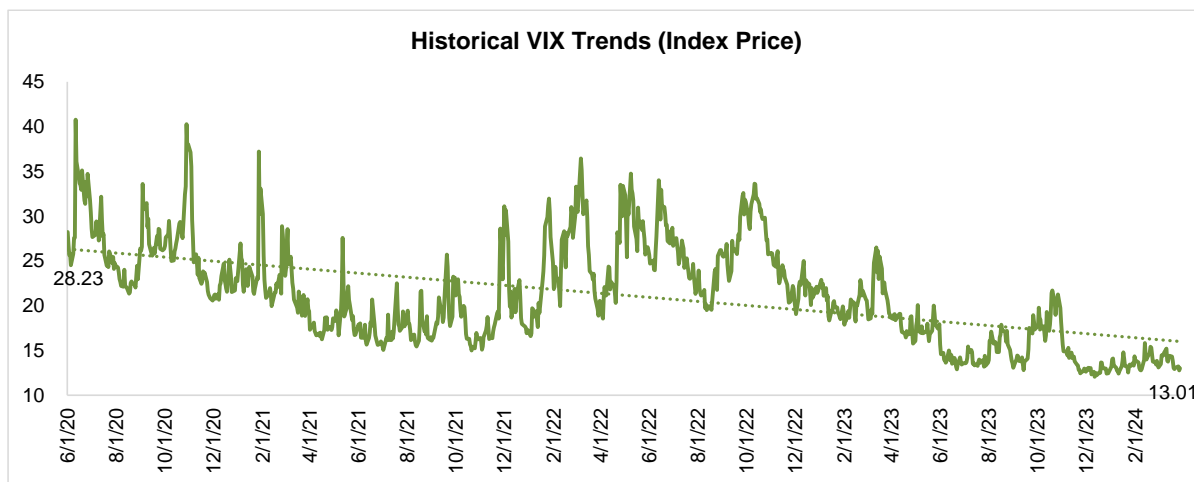
While the decline is clear for annual averages, the picture is not as clear when looking at a daily VIX chart. From 2010 through the end of March this year, the trendline is actually flat.



Source: Bloomberg, SIFMA estimates

<sup>1</sup> [https://www.sifma.org/wp-content/uploads/2023/02/SIFMA-Insights-Equity-Market-Structure-Compendium\\_3-5-v2.pdf](https://www.sifma.org/wp-content/uploads/2023/02/SIFMA-Insights-Equity-Market-Structure-Compendium_3-5-v2.pdf)

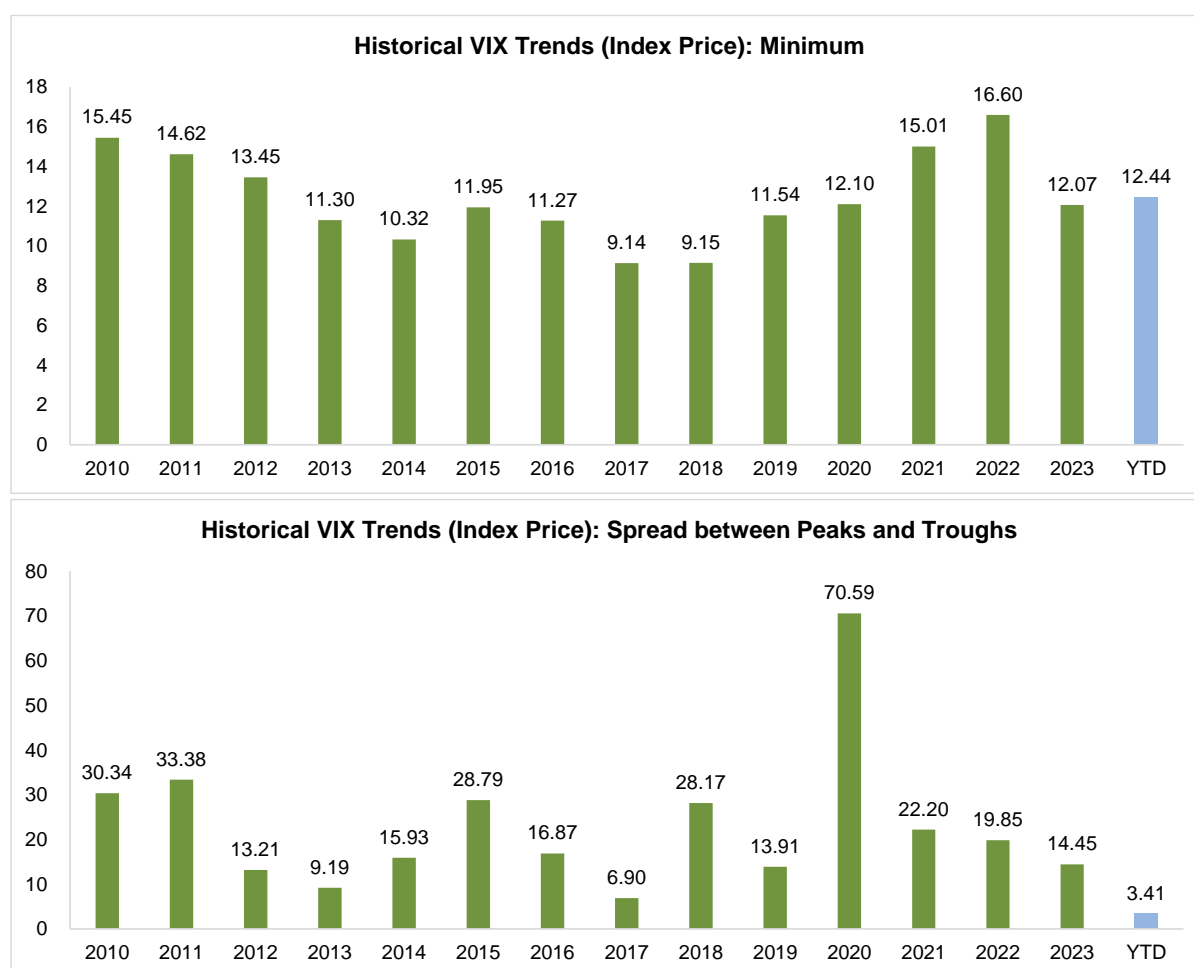
This trendline then becomes downward sloping when looking at the daily VIX from mid-2020 – we wanted to look at the VIX level after it settled from the March 2020 COVID highs – through the end of March this year.



Source: Bloomberg, SIFMA estimates

Could the lower averages be benefiting from lower lows and smaller spreads between peaks and troughs? YTD, the 12.44 minimum is up slightly to last year, +3.1% Y/Y, but remains lower than the early post COVID levels. Additionally, the spread between peaks and troughs is much lower than historical levels. The 3.41 YTD spread is -88.8% to the 2010 level and -75.5% to the 2019 pre COVID level. The spread has been coming down since 2020, and the trend continues, as YTD is down 76.4% versus an already low last year level.

Volatility appears to be settling down to a lower normalized level. That said, geopolitical risks continue. The economic soft landing or not outcome could change the path of volatility (albeit economists see a low probability of a recession). Further, volatility patterns could shift as we head into the U.S. presidential election, as well as after election results. We will continue to watch the VIX's journey.



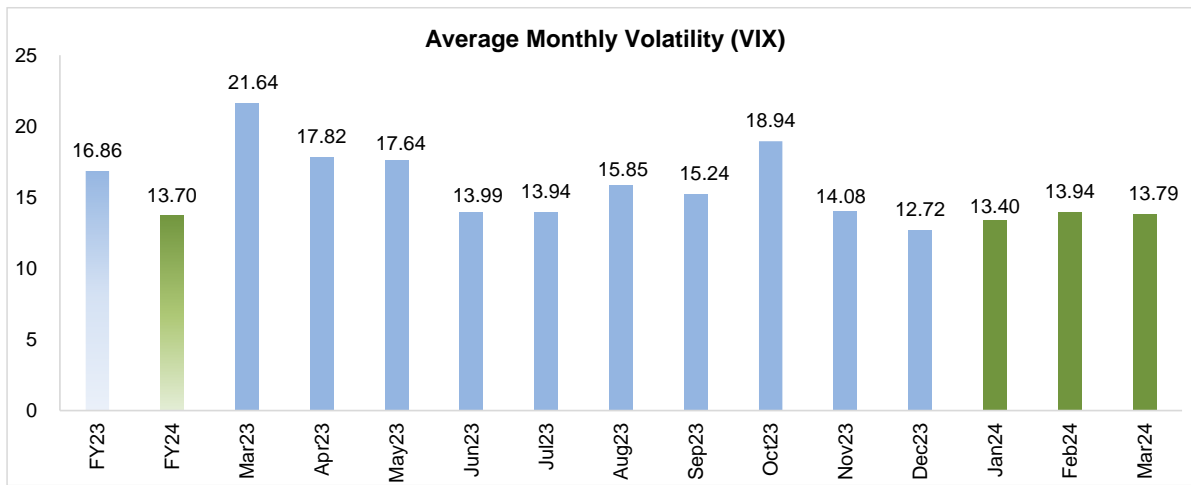
Source: Bloomberg, SIFMA estimates

## Monthly Market Metrics

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

### Volatility (VIX)

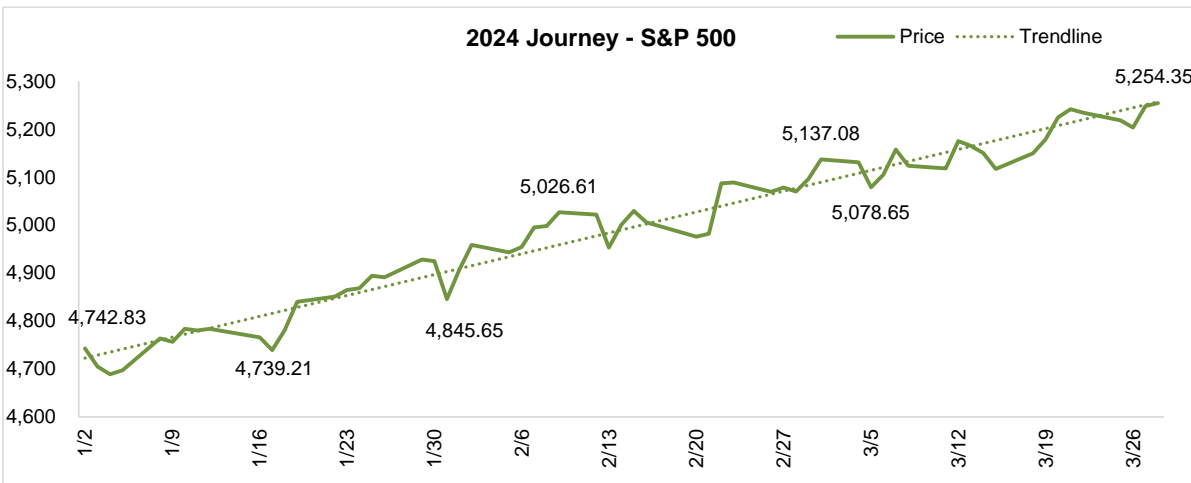
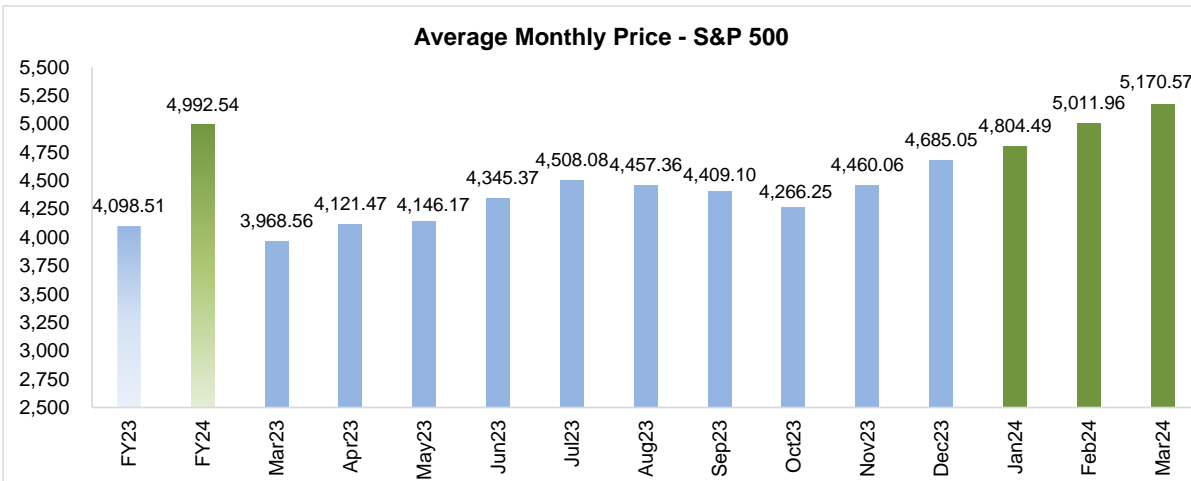
- Monthly average 13.79
  - -1.1% M/M
  - -36.3% Y/Y
  - 4.5% from the start of the year
- Monthly peak on the 11<sup>th</sup> at 15.22, troughed on the 27<sup>th</sup> at 12.78



Source: Bloomberg, SIFMA estimates

**S&P 500 Index: Price**

- Monthly average 5,170.57
  - +3.2% M/M
  - +30.3% Y/Y
  - +9.0% from the start of the year
- Monthly peak on the 28<sup>th</sup> at 5,254.35, troughed on the 5<sup>th</sup> at 5,078.65

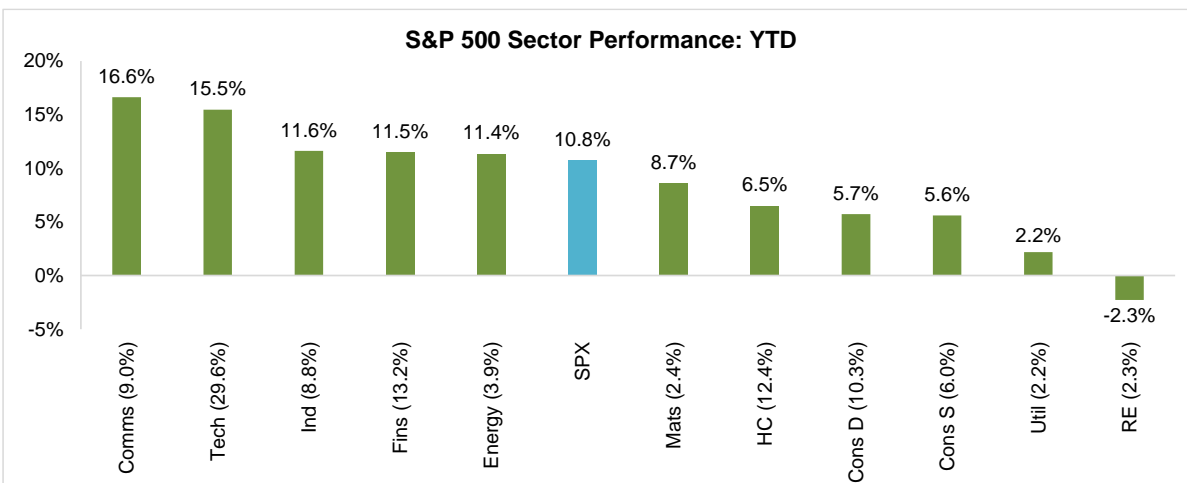
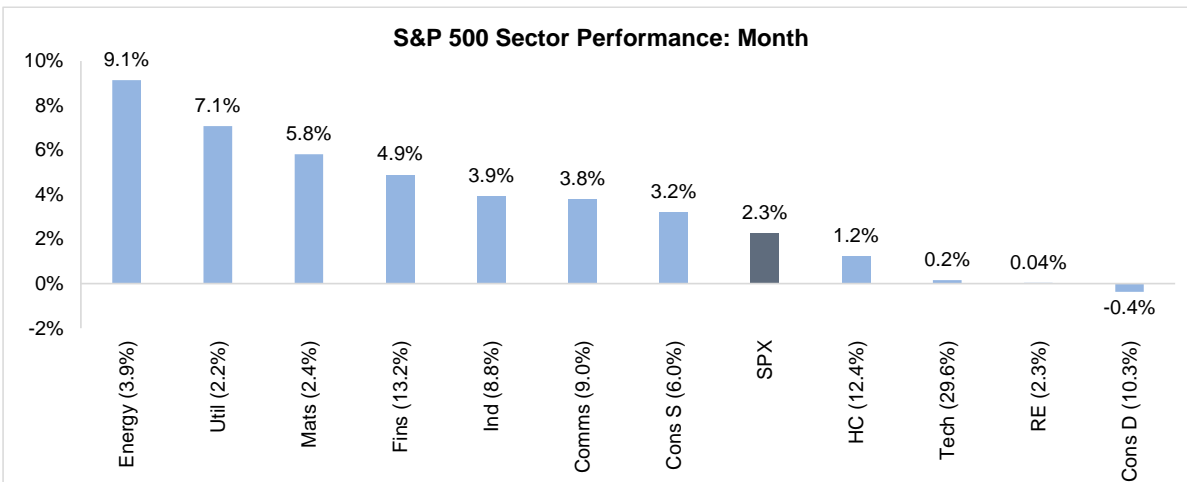


Source: Bloomberg, SIFMA estimates

**S&P 500 Index: Sector Breakout**

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

- Best performing sectors
  - Month = energy at +9.1% and utilities at 7.1%
  - YTD = communications at +16.6% and technology at +15.5%
- Worst performing sectors
  - Month = consumer discretionary at -0.4% and real estate at +0.04%
  - YTD = real estate at -2.3% and utilities at +2.2%

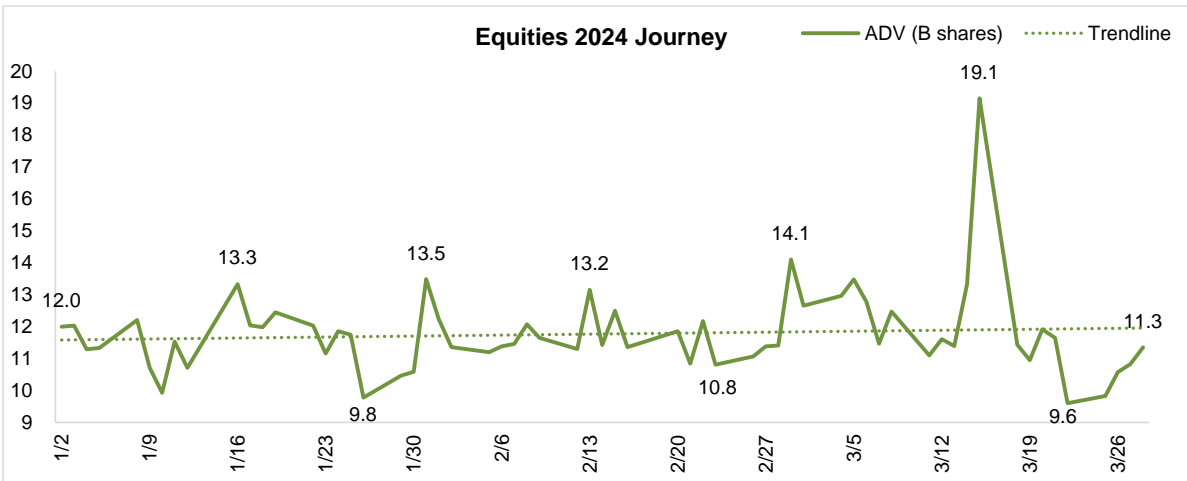
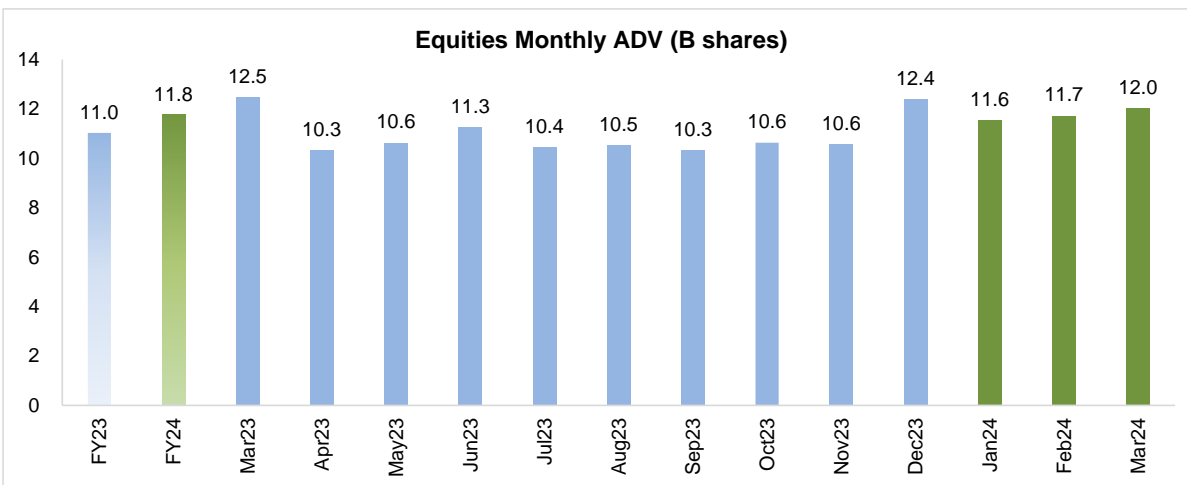


Source: Bloomberg, SIFMA estimates

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 12.0 billion shares
  - +2.5% M/M
  - -3.8% Y/Y
  - +0.2% from the start of the year
- Monthly peak on the 15<sup>th</sup> at 19.1 billion shares, troughed on the 22<sup>nd</sup> at 9.6 billion
- Monthly average off exchange trading 43.8%; -0.2 pps M/M, +2.0 pps Y/Y

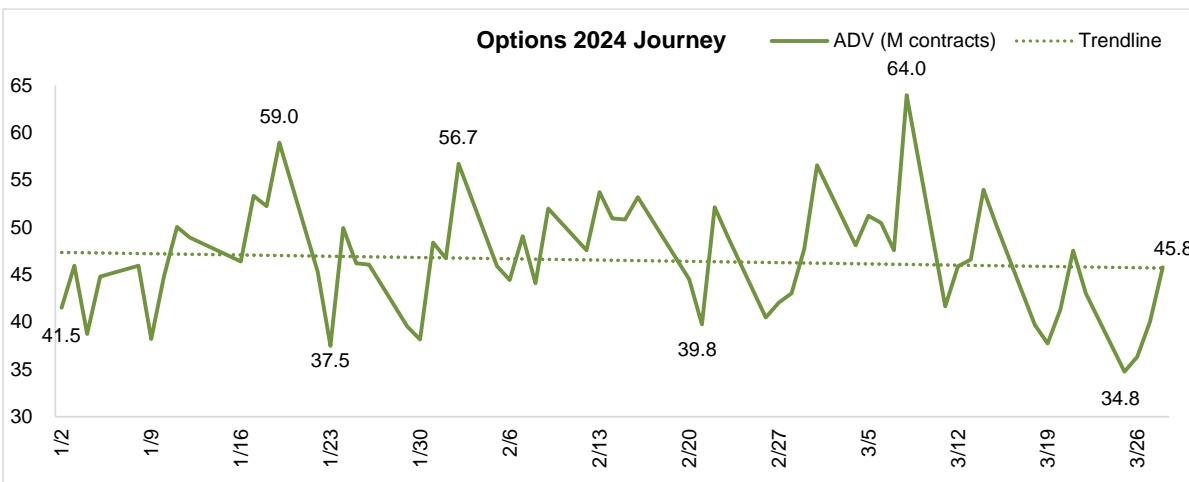
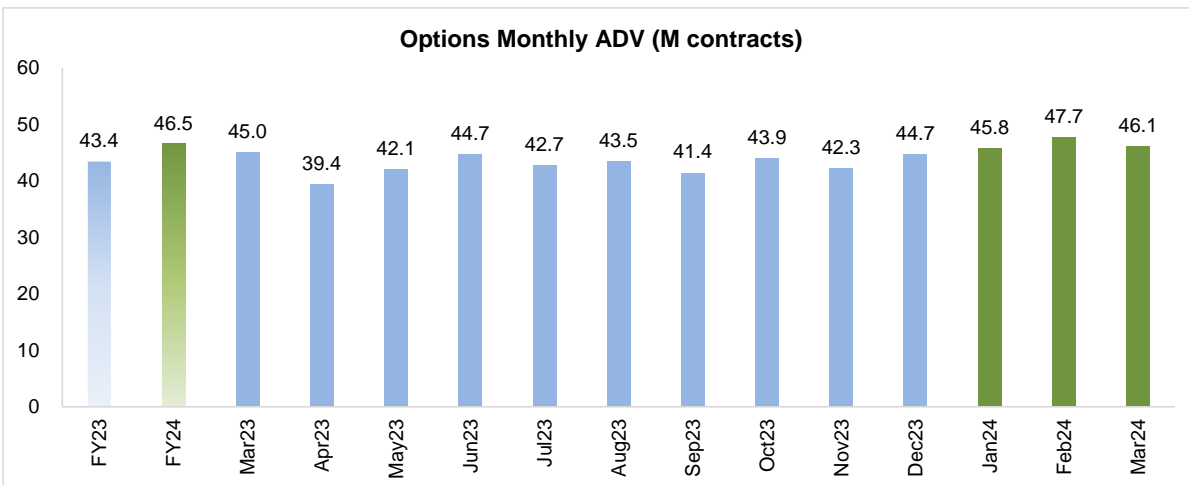


Source: Cboe Global Markets, SIFMA estimates



Options Volumes (ADV)

- Monthly average 46.1 million contracts
  - -3.3% M/M
  - +2.4% Y/Y
  - +11.1% from the start of the year
- Monthly peak on the 8<sup>th</sup> at 64.0 million contracts, troughed on the 25<sup>th</sup> at 34.8 million contracts
- Monthly equity options 4.4 million contracts (-3.5% M/M, +2.2% Y/Y), index options 4.1 million contracts (-0.9% M/M, +5.0% Y/Y)



Source: Cboe Global Markets, SIFMA estimates

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