

January Stock Market Swoons: Worst Starts Often Gave Way to Gains



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Top 5 Worst Stock Market Januaries Since 1926

Year	January Total Return	1-Year Return After January	2-Year Return After January	Near Recession?
1970	-7.4%	17.1%	30.9%	Yes
1960	-7.0%	15.0%	32.1%	Yes
1939	-6.7%	3.2%	-8.1%	Yes
1990	-6.7%	8.4%	33.0%	Yes
1978	-6.0%	18.1%	42.4%	No
Average:	-6.8%	12.3%	26.0%	-

Note: January is considered "Near Recession" if the United States was in a recession, as defined by the National Bureau of Economic Research, within 12 months before, during, or after date listed. All stock market returns represented by the S&P 500 Index. Source: Ibbotson, FMRCo (MARE) as of 12/31/2007.

Past performance is not a guarantee of future results.

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[i] Month-to-date performance as of 1/16/08. Record of monthly performance dates back to 1926. Source: Ibbotson, FMRCo (MARE)

Rough start to January ranks as one of worst ever

▶ U.S. stocks (S&P 500 Index) declined 6.4% during the first half of January, one of the worst calendar-year beginnings on record.¹

The worst January stock market performances typically occurred during periods of significant economic turbulence

▶ Of the five worst January declines since 1926, four of them happened during or close to an economic recession.

However, subsequent to the five worst January performances since 1926, the stock market generally recovered to post positive returns

▶ In all five instances, stocks finished higher one year after the dismal January, averaging a 12% gain over the next 12 months.

▶ During the two years after the poor January performances, stocks rose more than 30% in four out of the five instances.

Past performance is not a guarantee of future results

Investment decisions should be based on an individual's own goals, time horizon, and tolerance for risk.

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