

Crisis Events and the US Stock Market

Maintaining a long-term focus is paramount

When the crisis is sudden and the future is unknown, a long-term focus is paramount.

Take Action

- Maintain your long-term focus
- Contact your financial professional

Before investing, consider a fund's investment objectives, risks, charges and expenses. Contact your financial professional or Amundi US for a prospectus or summary prospectus containing this information. Please read it carefully.

The performance data quoted represents past performance, which is no guarantee of future results.

Source: Morningstar and Bloomberg. As of December 31, 2023. The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928. Indices are unmanaged and their returns assume reinvestment of dividends and do not reflect any fees or expenses. It is not possible to invest directly in an index.

The US stock market has experienced its share of crisis events—from wars to political upsets, to many unforeseen human tragedies. The table below highlights 28 international crises that have occurred since 1940. During these events, the Dow Jones Industrial Average (DJIA) dropped by an average of about 7%. In all but five cases, the market returned to positive territory within six months of the end of each decline.

Event	DJIA Reaction Dates	Date Range % Gain/Loss	Six Months Later
Fall of France	5/9/40 - 6/22/40	-17.1%	7.0%
Pearl Harbor	12/6/41 - 12/10/41	-6.5%	-9.6%
Korean War	6/23/50 - 7/13/50	-12.0%	19.2%
Eisenhower Heart Attack	9/23/55 - 9/26/55	-6.5%	11.7%
Cuban Missile Crisis	10/19/62 - 10/27/62	1.1%	24.2%
JFK Assassination	11/21/63 - 11/22/63	-2.9%	15.1%
US Bombs Cambodia	4/29/70 - 5/14/70	-7.1%	13.5%
Arab Oil Embargo	10/16/73 - 12/05/73	-18.5%	7.2%
Nixon Resigns	8/7/74 - 8/29/74	-17.6%	12.5%
USSR in Afghanistan	12/24/79 - 1/3/80	-2.2%	6.8%
Falkland Island Wars	4/1/82 - 5/7/82	4.3%	20.8%
US Invades Grenada	10/24/83 - 11/7/83	-2.7%	-3.2%
US Bombs Libya	4/14/86 - 4/21/86	2.8%	-1.0%
Financial Panic of '87	10/2/87 - 10/19/87	-34.2%	15.0%
Invasion of Panama	12/15/89 - 12/20/89	-1.9%	8.0%
Gulf War	1/16/91 - 1/17/91	4.6%	15.0%
World Trade Center Bombing	2/25/93 - 2/27/93	-0.3%	8.5%
Oklahoma City Bombing	4/18/95 - 4/20/95	1.2%	12.9%
Asian Stock Market Crisis	10/7/97 - 10/27/97	-12.4%	25.0%
US Embassy Bombing in Africa	8/6/98 - 8/14/98	-1.8%	10.4%
September 11th Attacks	9/10/01 - 9/21/01	-14.3%	24.8%
War in Afghanistan	10/5/01 - 10/09/01	-0.7%	12.4%
Iraq War	3/19/03 - 5/1/03	2.3%	15.6%
London Train Bombing	7/6/05 - 7/7/05	0.3%	5.6%
Bear Stearns Collapse	3/14/08 - 3/14/08	0.0%	-4.4%
US Credit Rating Downgrade	7/21/11 - 10/3/11	-15.8%	25.6%
COVID-19 Pandemic	2/15/20 - 3/23/20	-36.6%	-41.2%
Russia Invades Ukraine	2/24/22 - 6/17/22	-9.3%	11.3%
Average		-7.3%	9.6%

How Should You React to a Market Crisis?

A sudden market drop can be a frightening event for many investors. Maintaining your focus in the midst of market mayhem can help you to avoid making hasty decisions that could derail your long-term plans.