

A Global Snapshot Of Equity Returns Spanning The COVID-19 Pandemic

Major Global Equity Indices (Total Returns In USD)

Index	12/31/19- 2/19/20	2/19/20- 3/23/20	3/23/20- 12/2/22	12/31/21- 12/2/22	12/31/19- 12/2/22
S&P 500	5.08%	-33.79%	89.90%	-13.28%	32.11%
S&P MidCap 400	1.90%	-41.81%	119.65%	-8.12%	30.25%
S&P SmallCap 600	-0.34%	-41.27%	116.93%	-9.95%	26.95%
Nasdaq 100	11.46%	-27.84%	74.89%	-25.90%	40.66%
MSCI EM BIC Net TR	0.47%	-28.97%	14.69%	-21.61%	-18.15%
MSCI Emerging Net TR	-0.92%	-31.16%	37.25%	-18.82%	-6.40%
MSCI Europe Net TR	0.15%	-35.15%	64.13%	-13.03%	6.59%
MSCI Emerging Latin America Net TR	-4.68%	-50.02%	88.12%	13.12%	-10.38%
MSCI Daily TR Net World (ex U.S.)	-0.45%	-33.61%	60.87%	-12.26%	6.32%

Source: Bloomberg. **Past performance is no guarantee of future results.**

View from the Observation Deck

1. Today's blog post features the total return performance figures for the major global stock indices over four specific periods since the start of 2020.
2. The first column of total returns in the table above indicates that, with the exception of the S&P SmallCap 600 Index, U.S. equities were outperforming their foreign counterparts prior to the peak in the S&P 500 Index on 2/19/20.
3. Due largely to the onset of coronavirus (COVID-19), a major shift in sentiment occurred after the close of trading on 2/19/20. The second column of total returns captures the depth of the sell-off in the stock market in the U.S. and abroad.
4. The S&P 500 Index actually crossed over into bear market territory (a 20% or more price decline from the most recent high) at the close of trading on 3/12/20. It only took 16 trading days, the fastest path to a bear market ever. The sell-off did not cease until 3/23/20.
5. The third column of total returns shows the rebound in progress. This includes the market (S&P 500 Index) dipping into bear market territory again, selling off 25.43% on a price-only basis (dividends not included) from its all-time closing high on 1/3/22 through its 2022 bottom on 10/12/22. U.S. equities significantly outperformed their foreign counterparts over that period.
6. The fourth column reflects the year-to-date total returns through 12/2/22. Latin America has benefitted from the rise in commodity prices in 2022, including oil.
7. The fifth column reflects the total returns since the start of 2020. The U.S. equity indices are dominating their foreign counterparts over this time period.
8. From 12/31/19-12/2/22, the U.S. dollar rose by 8.46% against a basket of major currencies, as measured by the U.S. Dollar Index (DXY), according to Bloomberg. The growth in the U.S. dollar has provided a drag on the performance of unhedged foreign securities held by U.S. investors over the period, in our opinion.
9. Foreign stocks look less expensive than U.S. equities based on their forward-looking price-to-earnings (P/E) ratios. Bloomberg's 2022 year-end P/E estimates for the major indices in the table are as follows (12/5/22): 18.16 (S&P 500); 13.20 (S&P MidCap 400); 14.35 (S&P SmallCap 600); 22.68 (Nasdaq 100); 12.06 (MSCI BIC); 11.60 (MSCI Emerging); 12.44 (MSCI Europe); 6.92 (MSCI EM Latin America); and 12.62 (MSCI World ex-U.S.).

This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 Index is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance. The S&P MidCap 400 Index is a capitalization-weighted index that tracks the mid-range sector of the U.S. stock market. The S&P SmallCap 600 Index is a capitalization-weighted index that tracks U.S. stocks with a small market capitalization. The Nasdaq 100 Index includes 100 of the largest domestic and non-financial companies listed on The Nasdaq Stock Market based on market capitalization. The MSCI BIC Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of Brazil, India and China. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Europe Index is a free-float weighted index designed to measure the equity market performance of the developed markets in Europe. The MSCI Emerging Markets Latin America Index is a free-float weighted index that captures large and mid-cap representation across five emerging markets in Latin America. The MSCI World (ex U.S.) Index is a free-float weighted index designed to measure the equity market performance of developed markets. The U.S. Dollar Index (DXY) indicates the general international value of the dollar relative to a basket of major world currencies.

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