Compare apples to apples.

Mid-term Elections: Time to Own Stocks

Since 1950, for the 12-month period starting on September 30 of mid-term election years, the market has returned on average over 27% more than triple the average return from all third quarter to third quarter periods.

Going back more than a century, the stock market has generally done better in the second half of a president's four-year term. From 1900 to 2009 as calculated by Ned Davis Research, the DJIA on average had produced the following returns for the years of a presidential term: 5.5% in Year 1, 3.7% in Year 2, 12.6% in Year 3, and 7.5% in Year 4.

Since 1942, the 200 days after a mid-term election have produced a remarkably consistent uptrend **regardless of who wins.** In all 17 instances, the S&P 500 produced gains averaging over 18% (Leuthold Group).

The consolidation we saw in August of 2010 is very similar to what was experienced in 2004 and is not all that unusual as part of a normal phase of a bull market rally. Since 1962, mid-term election year corrections such as the most recent example have been followed by gains of at least 27% for the S&P 500 and 32% for the Dow Jones Industrial Average.

Call us today at (419) 784-2650 or (800) 472-6292 to schedule an appointment to learn more.

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