

BEAR MARKETS

Recessionary Bear Markets

Market Top	Market Bottom	Total Months	Bear Market Decline	Months to return to high from bottom	Top P/E	Bottom P/E	% Decline of P/E	% Decline of Earnings	Months from Mkt Peak to EPS Trough	P/E at EPS Trough	P/E Chg from Mkt Bottom to EPS Trough
Jul-57	Oct-57	3	-20%	11	14.6	11.2	-24%	-23%	20	20.9	87%
Jan-60	Oct-60	10	-18%	3	20.9	15.2	-27%	-15%	17	21.3	41%
Nov-68	May-70	18	-36%	22	19.0	12.9	-32%	-18%	32	19.5	51%
Jan-73	Oct-74	21	-48%	69	20.2	7.3	-64%	-22%	37	13.2	81%
Feb-80	Apr-80	2	-21%	4	9.9	6.8	-31%	-6%	18	9.6	40%
Nov-80	Aug-82	21	-27%	3	9.6	7.0	-27%	-26%	32	13.5	93%
Jul-90	Oct-90	3	-21%	4	16.0	13.1	-18%	-35%	23	27.1	107%
Mar-00	Oct-02	31	-49%	55	30.7	17.0	-45%	-26%	25	27.8	64%
Oct-07	Mar-09	17	-59%	49	16.7	9.5	-43%	-33%	27	18.5	95%
Feb-20	Mar-20	1	-34%	5	21.0	14.4	-32%	-17%	11	28.0	95%
Average		13	-33%	23	17.8	11.4	-34%	-22%	24	19.9	75%

Non-Recessionary Bear Markets

Market Top	Market Bottom	Total Months	Bear Market Decline	Months to return to high from bottom	Top P/E	Bottom P/E	% Decline of P/E	% Decline of Earnings
Dec-61	Jun-62	6	-28%	15	22.4	14.7	-35%	6%
Feb-66	Oct-66	8	-22%	7	20.0	12.9	-36%	-3%
Sep-76	Mar-78	18	-19%	18	13.6	8.1	-40%	13%
Aug-87	Dec-87	4	-34%	20	23.4	14.4	-38%	-13%
Jul-98	Oct-98	3	-23%	2	27.1	21.8	-20%	-1%
Apr-11	Oct-11	6	-19%	5	18.6	11.4	-39%	5%
Sep-18	Dec-18	3	-20%	4	22.0	14.9	-32%	5%
Average		7	-24%	10	21.0	14.0	-34%	2%
Jan-22		4	-19%		28.4	18.1	-36%	5%

The 36% multiple contraction experienced this year in 4 months is in line with that experienced during non-recessionary bear markets historically. If the pullback continues to intensify, we believe we see non-recessionary type action, as a recession (if it comes) is unlikely this year. Non-recessionary bear markets have averaged -24% historically over 7 months (vs -19% now), but have also traded back to highs 10 months on average. So while the selloff may have more to go, we expect equities to be higher in 12 months.

Source: FactSet, Raymond James Equity Portfolio & Technical Strategy (M22-4741200)