

# AI-01788 Stock Market 2Months 20 Percent Gain

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| 👤 Owner        | Ⓜ Rigel Arcayan        |
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The Stock Market Just Did Something for the Sixth Time Since 1957. What is it? Explain and delve.

The stock market just experienced a rare event: **the S&P 500 gained more than 20% over a two-month period ending June 9, 2025**. This has only happened **six times since the index was created in 1957** [1].

## Why This Matters

Historically, when the S&P 500 has surged more than 20% in such a short span, it has **consistently led to strong gains over the following year**. Here's what past data shows:

- **Average gain over the next 6 months: ~16%**
- **Average gain over the next 12 months: ~31%**

This pattern suggests that such rapid rallies often mark the beginning of **sustained bullish momentum**, rather than just a short-term spike.

## What Triggered the Surge?

The rally followed a period of extreme volatility earlier in 2025, largely due to:

- **"Liberation Day" tariffs** imposed by President Donald Trump in April, which initially caused a massive sell-off, wiping out \ \$6.6 trillion in market value.
- A **sharp reversal** when the most severe tariffs were paused, easing trade tensions with China.

- The S&P 500 then rebounded strongly, gaining 6.2% in May alone—its best May performance since 1990 [\[1\]](#).

## Historical Context

The five previous instances of this kind of two-month surge were followed by:

- **Continued investor optimism**
- **Improved economic indicators**
- **Momentum-driven buying**

This sixth occurrence could signal a similar trajectory, especially if macroeconomic conditions remain stable or improve.

Would you like a breakdown of the previous five instances for comparison, or a chart showing how the S&P 500 performed after each of those rallies?

## References

[\[1\] The Stock Market Just Did Something for the Sixth Time Since 1957 ...](#)

Here's a breakdown of the **five previous instances** when the **S&P 500 gained more than 20% over a two-month period**, prior to the most recent surge in June 2025 [\[1\]](#):

| Date of 20%+ Rally End | Forward 6-Month Return | Forward 12-Month Return | Context  |
|------------------------|------------------------|-------------------------|--|
| <b>Feb. 6, 1975</b>    | +10%                   | +28%                    | Post-1973–74 bear market recovery amid falling inflation and Fed easing.   |
| <b>Oct. 6, 1982</b>    | +20%                   | +32%                    | Start of a long bull market after Fed began cutting interest rates.        |
| <b>Dec. 7, 1998</b>    | +11%                   | +19%                    | Recovery from the LTCM crisis and Russian default; tech boom underway.     |
| <b>Apr. 30, 2009</b>   | +20%                   | +36%                    | Rebound from the Global Financial Crisis lows; Fed stimulus in full swing. |

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| <b>May 18, 2020</b> | +21% | +40% | Recovery from COVID-19 crash; massive fiscal and monetary support. |
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## Key Takeaways

- **All five instances** were followed by **continued gains** over the next year.
- The **average 6-month return** was **+16%**, and the **average 12-month return** was **+31%**.
- These rallies often occurred **after major market dislocations**, suggesting that sharp rebounds can signal the start of longer-term bull markets.

Would you like a visual chart comparing these rallies and their aftermaths?

## References

[1] [The Stock Market Just Did Something for the Sixth Time Since 1957 ...](#)