

Chart of the Month | April 2026

## Market Volatility: The Best Days and Worst Days Travel Together

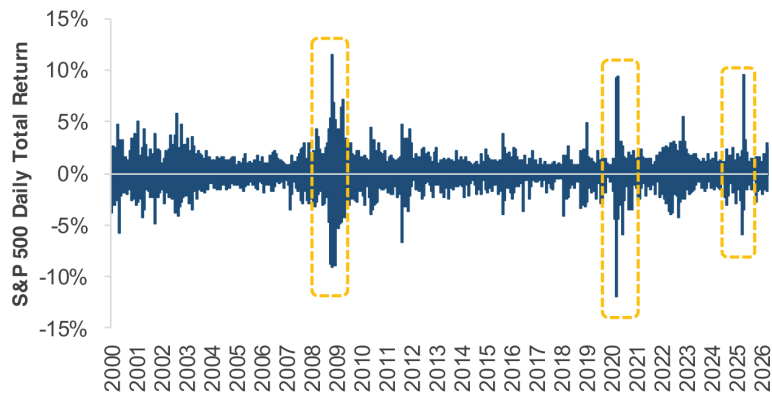
The stock market's best and worst days tend to arrive together, and the early months of 2026 offered a timely reminder. The S&P 500 fell nearly -10% from its late-January high through the end of March as the U.S.-Iran conflict sent oil prices surging more than +60%. Headlines about the Strait of Hormuz closure, rising energy costs, and the potential economic impact created an environment that can tempt investors to move to cash. But acting on that impulse would have meant missing the recovery that followed when ceasefire talks emerged in late March. It is a well-documented pattern: trying to avoid the worst days often means missing the best days.

Figure 1 illustrates this dynamic. The chart graphs the S&P 500's daily returns over the past 26 years, showing that the market's largest daily moves cluster together rather than occurring in isolation. The biggest single-day selloffs during the 2008 financial crisis, the 2020 pandemic, and the 2025 tariff volatility were each surrounded by some of the largest single-day gains. The pattern showed up again during the recent volatility: the S&P 500 posted its strongest daily return since April 2025 amid optimism for a U.S.-Iran ceasefire, only days after escalating tensions pushed stocks lower. The same environments that produce sharp selloffs often set the stage for strong rallies.

Figure 2 puts a dollar amount on the cost of mistiming the market. A \$10,000 investment in the S&P 500 on December 31, 1999, would have grown to \$75,242, a more than seven-fold increase over a period that included the dot-com bust, the financial crisis, and a global pandemic. Missing just the 10 best trading days cuts that ending value to \$33,473, less than half the fully invested result. The damage compounds quickly from there: missing the top 20 days reduces the value to \$19,443, missing the top 30 lowers it to \$12,358, and missing the 50 best days shrinks the original \$10,000 to \$5,607, a loss of more than -40% during a period when the market delivered strong returns.

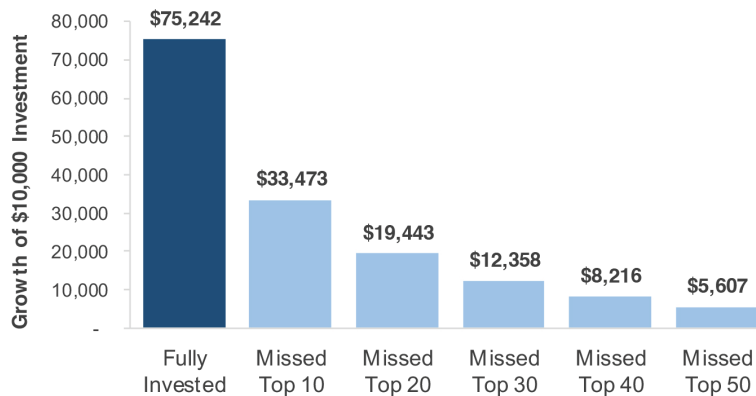
This year's market volatility may feel unsettling, but it reinforces a core principle: selling during a decline locks in losses and creates a difficult re-entry problem. Investors who moved to the sidelines during March's selloff and waited for calmer conditions likely missed a significant portion of the recovery. A well-constructed financial plan accounts for periods of market stress, and strategies like maintaining a diversified portfolio, keeping an appropriate cash reserve, and rebalancing periodically can help investors stay the course. The market rewards patience, and as the first quarter showed, mistiming it can be costly.

**Figure 1 – The Market's Best and Worst Days Tend to Cluster**



Disclosures: S&P Global. Index performance is for illustrative purposes only and does not reflect any management fees or transaction costs. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results. Time Period: 12/31/1999 to 4/10/2026.

**Figure 2 – Missing the Best Days Impacts Long-Term Returns**



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