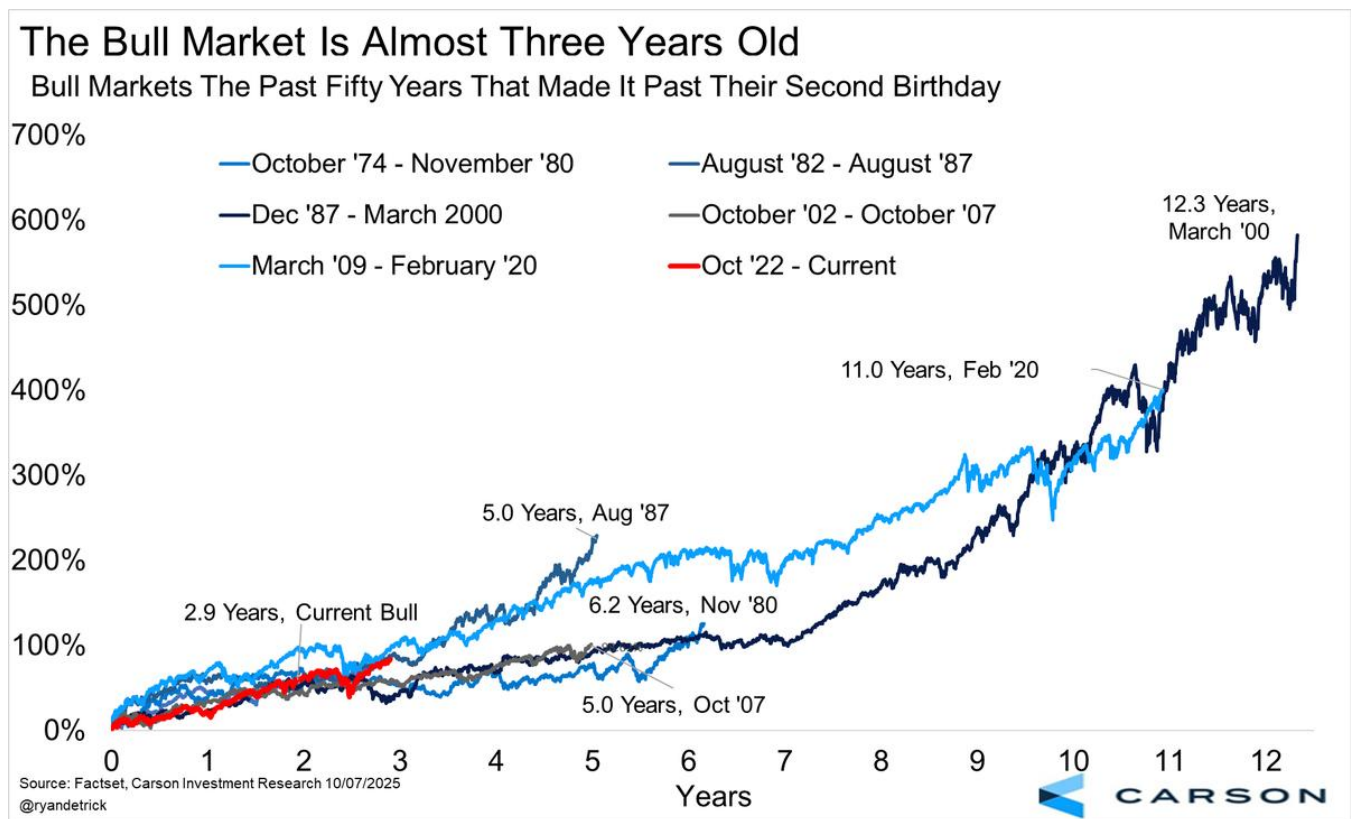


## How Long Can This Bull Market Last?

The current bull market turned three on October 12<sup>th</sup>. Stocks had bottomed out on October 12, 2022, after falling more than 25% from the peak. While some investors may worry that this bull market might be running out of steam, passing the 3-year milestone has historically been a very positive signal of what to expect next.

As shown below, going back 50 years, the five previous bull markets that made it this long kept going - the shortest lasted five years, the average was eight years, and two made it double digits.



In addition, according to CFRA Research, the average return of the last eight bull markets was 213%. Through its peak in early October, the current bull market is up 89% so far, indicating that there is room to potentially move higher. Also according to CFRA, the average gain in the fourth year of bull markets going back to 1947 was 12.7%.

History is of course no guarantee and no one can be sure of what will happen this time around. As always, there are multiple positive and multiple negative forces which could potentially affect the markets. Witness the market reaction in early October when President Trump threatened massive new tariffs on China, and the volatility that ensued.

What could go wrong? A worsening global trade war, continuing labor market weakness and high levels of consumer debt, a surge of inflation, investor fears over valuations and an Artificial Intelligence (AI) bubble and of course a Black Swan event.

On the flip side, continued market strength is underpinned by the beginning of an easing cycle by the U.S Federal Reserve (Fed), still-strong corporate earnings and corporate optimism and a market that has shown impressive resilience over the past 10 months.

The bottom line: the market is likely going to be volatile as it reacts to daily noise created by outside events. That is normal. But our point here is that there is no fundamental reason – such as a bull market that has gone on too long in relation to its historical peers – for investors to fret that this bull run must end soon. It does not. As always, stick to your investment plan and only make changes if there has been a fundamental change in your life, investment goals or appetite for risk.

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