



## RESEARCH

### Insights

# Monthly Market Metrics and Trends: May

Analyzing Volatility, Market Performance, and Equity and Options Volumes  
Plus a Look at a Key Equity Markets Theme for the Month

June 2024

#### Monthly Highlight

- We are now living in a T+1 world. As such, we thought it would be interesting to look at volumes and volatility heading into the transition.
- Volumes: May 28 saw 12.3 billion shares traded; -1.2% to the monthly average, -32.4% to the monthly peak. The average for the week excluding the elevated Friday level (for end of month rebalancing) was 12.5 billion shares, in line with the prior week average.
- Volatility: The VIX on May 28 was 12.92; -1.1% to the monthly average, -16.0% to the monthly peak. The average VIX for the week was 13.39, +9.8% from the prior week average. However - and quite interesting - the VIX settled back down on Friday to the same level it started the week, 12.92.
- Success.

#### Monthly Metrics

- Volatility (VIX): Monthly average 14.06; -19.1% M/M, -26.0% Y/Y
- S&P 500 (Price): Monthly average 5,235.23; +2.4% M/M, +26.3% Y/Y
- Performance (month/year): best = tech/comms +11.4%/+21.5%; worst = cons discretionary/real estate +0.2%/-6.3%
- Equity ADV: Monthly average 12.5 billion shares; +13.7% M/M, +17.1% Y/Y
- Options ADV: Monthly average 43.2 million contracts; -4.9% M/M, +2.7% Y/Y

## Monthly Highlight

### We Are Now Living in a T+1 World

On May 28, U.S. equity markets<sup>1</sup> officially – and successfully – transitioned to T+1 for securities settlement. Shortening the settlement cycle to one from two days increases efficiencies and reduces risk in the system. It also decreases clearing funds requirements for firms, thereby enhancing liquidity. DTCC noted that with the move to T+1, the National Securities Clearing Corporation (NSCC) clearing fund decreased to \$9.1 billion: -\$3.7 billion, or -28.9%, to the last quarter average value and -\$3.1 billion, or -25.4%, to the last month average value.

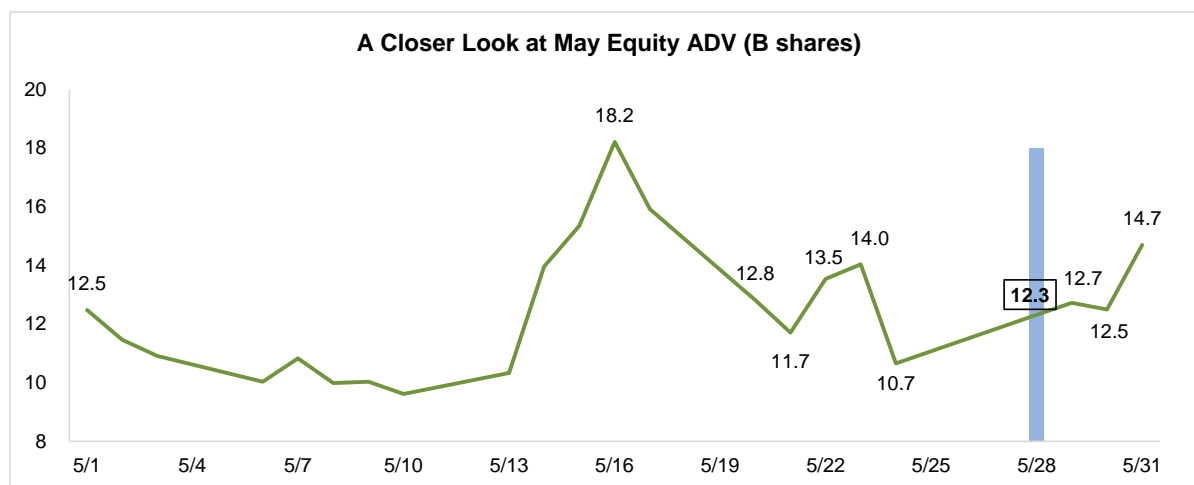
We are now living in a T+1 world. As such, we thought it would be interesting to look at volumes and volatility heading into the transition.

Starting with volumes, May 28 saw 12.3 billion shares traded:

- -1.2% to the monthly average of 12.5 billion shares
- -32.4% to the monthly peak of 18.2 billion shares

The average for the week was 13.1 billion shares. However, this week saw elevated volumes on Friday as market participants balanced portfolios for the month close. (We would also recommend not putting too much weight on the trough shown on Friday, May 24, as it was the day before Memorial weekend.) Excluding the elevated Friday data day, the week average was 12.5 billion shares. This was in line with the prior week average.

Stable volumes – we’d call this a successful week.



Source: Cboe Global Markets, SIFMA estimates

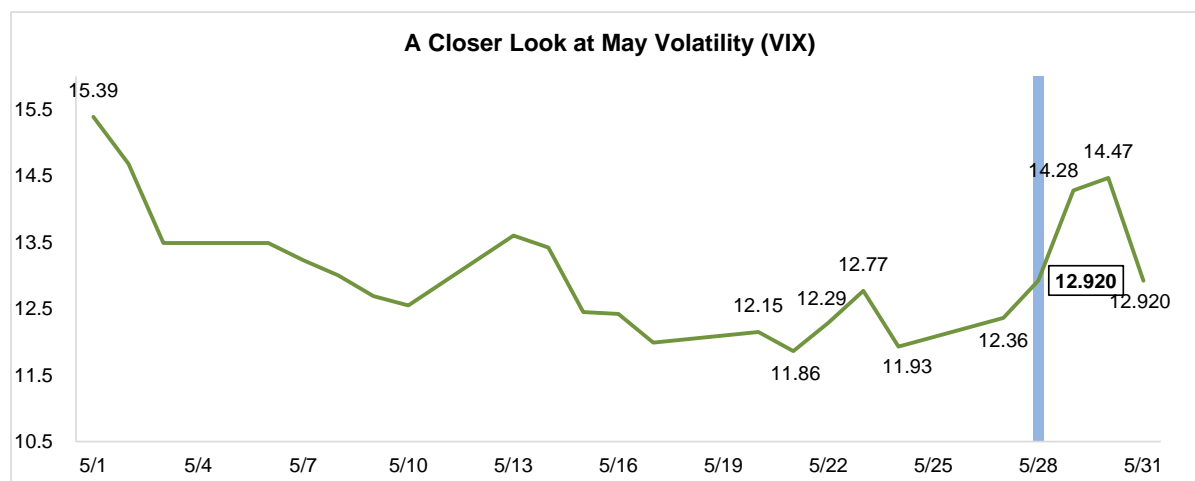
<sup>1</sup> Corporate and municipal bonds also transitioned to T+ settlement.

As to volatility, the VIX on May 28 was 12.92:

- -1.1% to the monthly average of 13.06
- -16.0% to the monthly peak of 15.39

The average VIX for the week was 13.39. This was up 9.8% from the prior week average. The pattern for the week was interesting. Volatility increased 10.5% on May 29, then another 1.5 pps the following day – a total increase of 12.0% from May 28 to May 30. However – and quite interesting – the VIX settled back down on Friday to the same level it started the week, 12.92.

Same start to finish the week – it is worth repeating, it was a successful week.



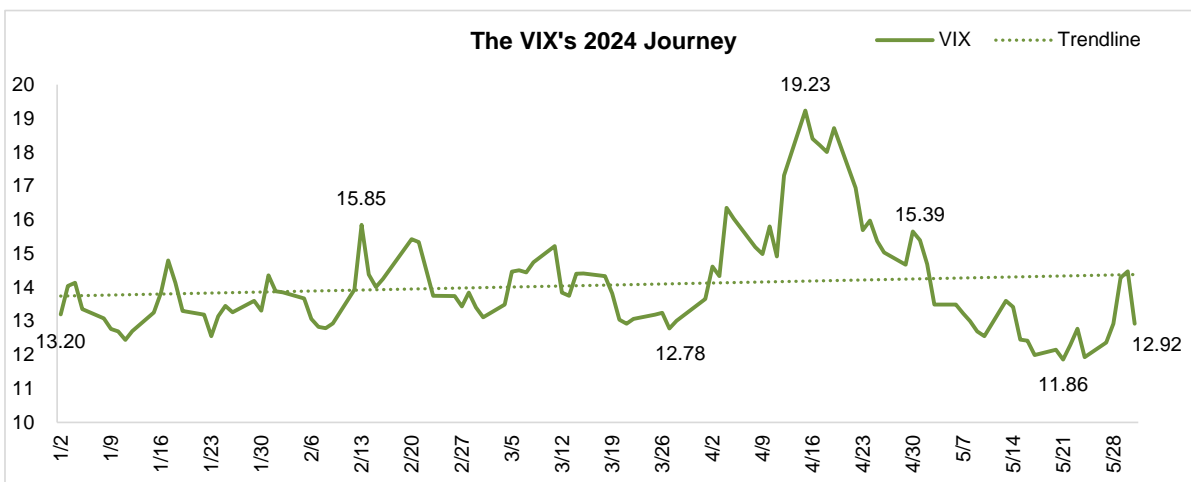
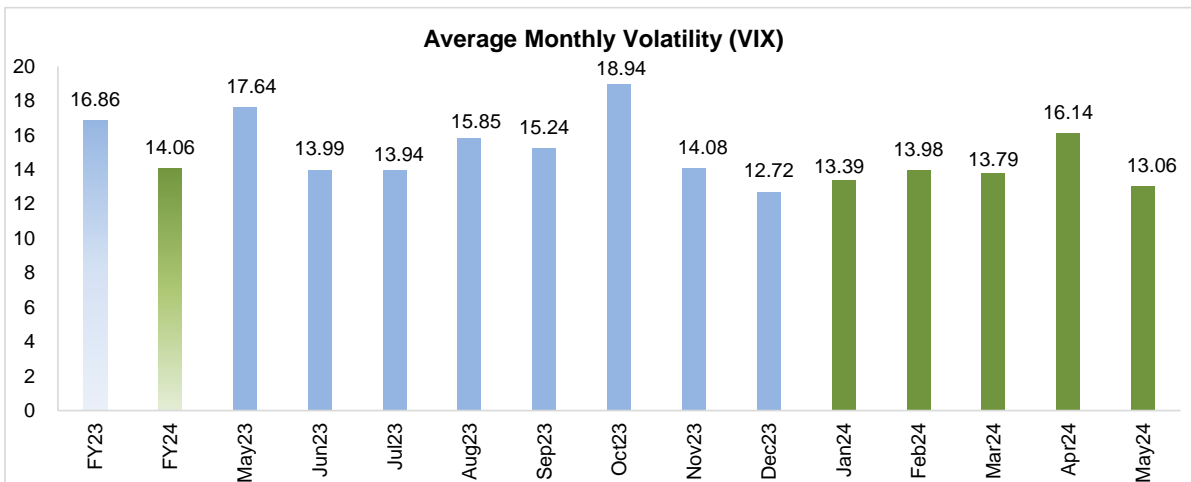
Source: Bloomberg, SIFMA estimates

## Monthly Market Metrics

In this section, we highlight the monthly market trends for volatility, price, and volumes.

### Volatility (VIX)

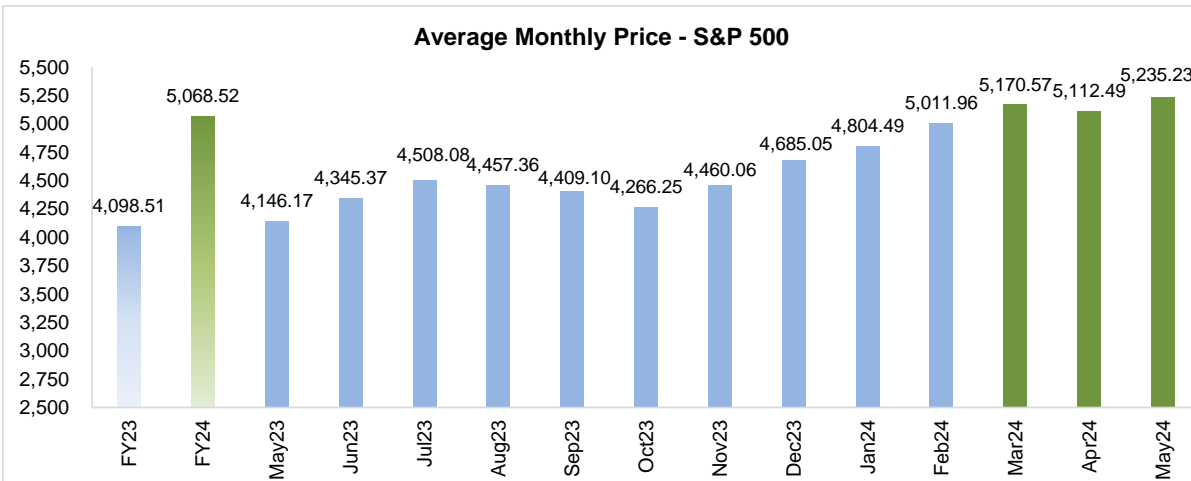
- Monthly average 14.06
  - -19.1% M/M
  - -26.0% Y/Y
  - -1.1% from the start of the year
- Monthly peak on the 1<sup>st</sup> at 15.39, troughed on the 21<sup>st</sup> at 11.86



Source: Bloomberg, SIFMA estimates

**S&P 500 Index: Price**

- Monthly average 5,235.23
  - +2.4% M/M
  - +26.3% Y/Y
  - +10.4% from the start of the year
- Monthly peak on the 21<sup>st</sup> at 5,321.41, troughed on the 1<sup>st</sup> at 5,018.39

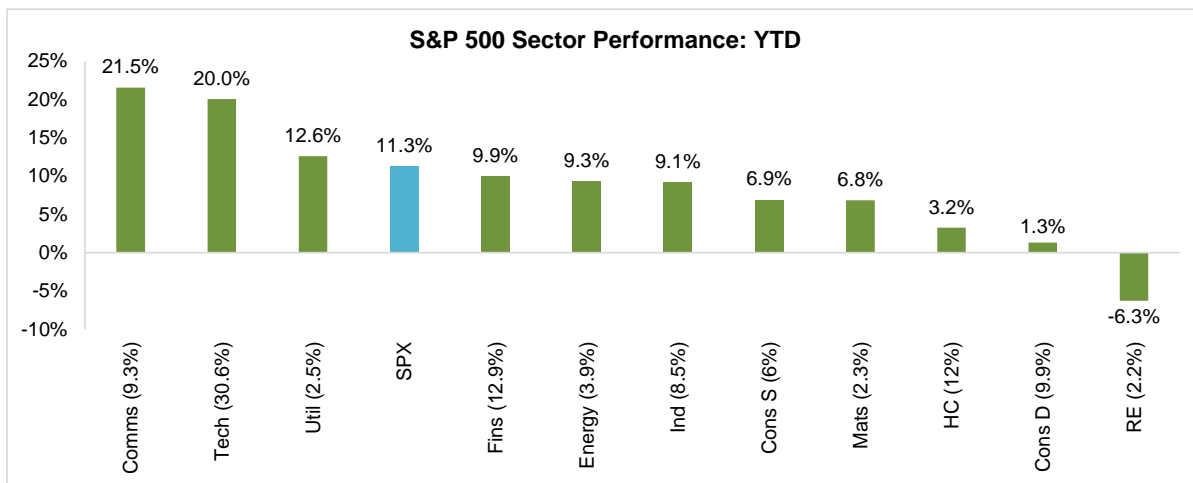
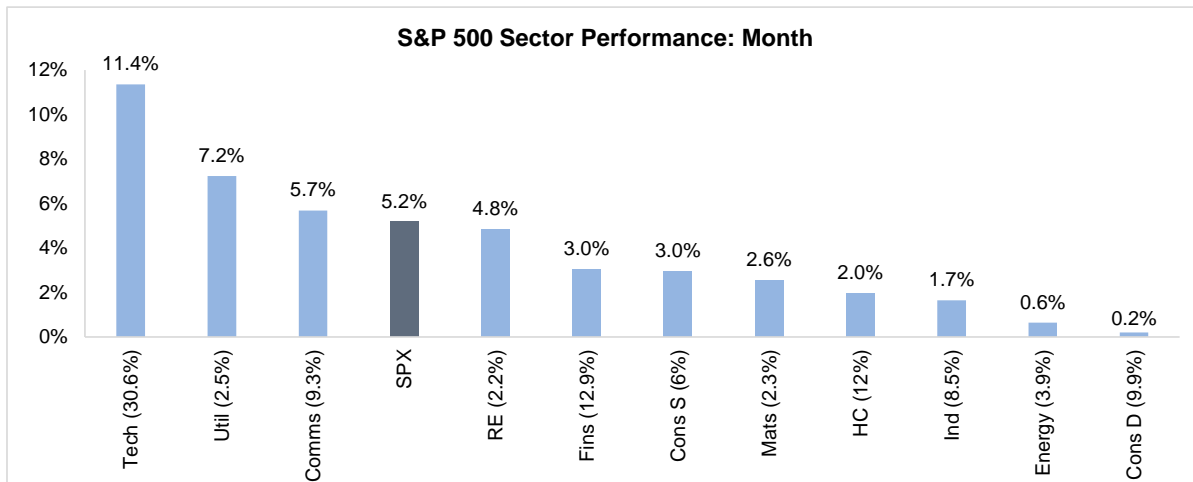


Source: Bloomberg, SIFMA estimates

**S&P 500 Index: Sector Breakout**

Looking at market performance by sector, we highlight the following:

- Best performing sectors
  - Month = technology at +11.4% and utilities at +7.2%
  - YTD = communications at +21.5% and technology at +20.0%
- Worst performing sectors
  - Month = consumer discretionary at +0.2% and energy at +0.6%
  - YTD = real estate at -6.3% and consumer discretionary at +1.3%

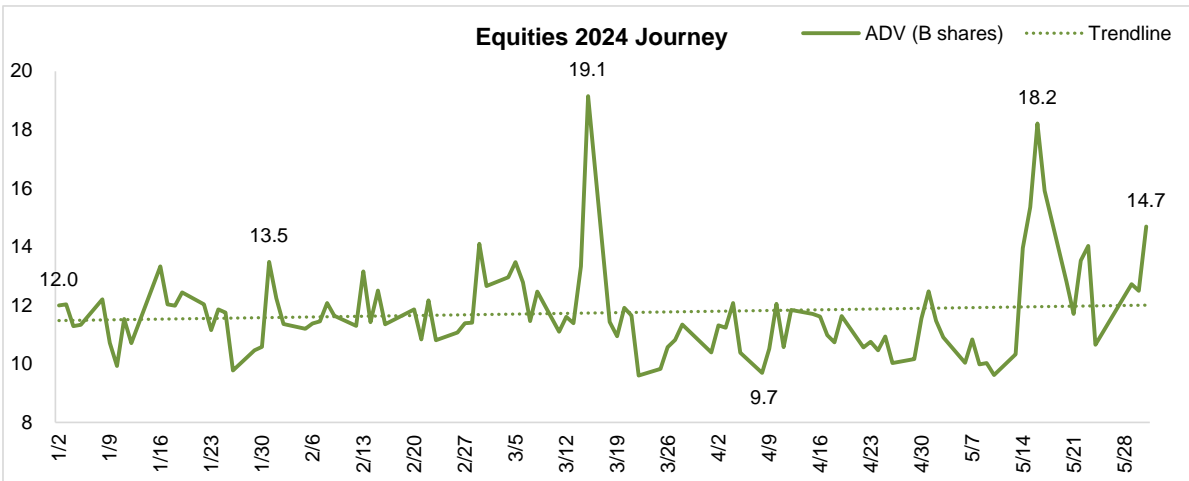
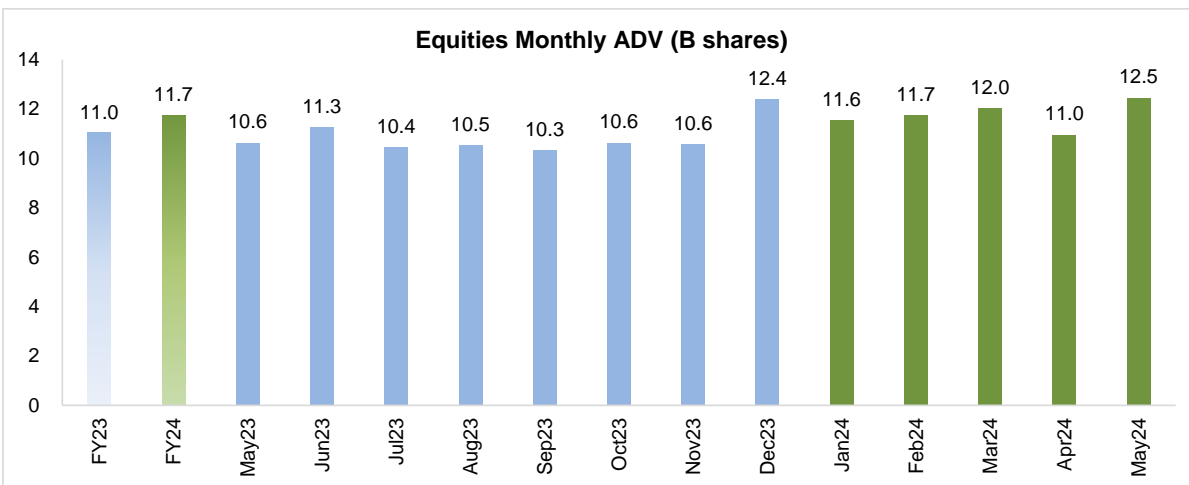


Source: Bloomberg, SIFMA estimates

Note: Parenthesis indicate sector weight in the index. Cons S = consumer staples, HC = healthcare, Mats = materials, RE = real estate, Ind = industrials, Fins = financials, Tech = technology, Cons D = consumer discretionary, Comms = telecommunications, Util = utilities

Equity Volumes (ADV)

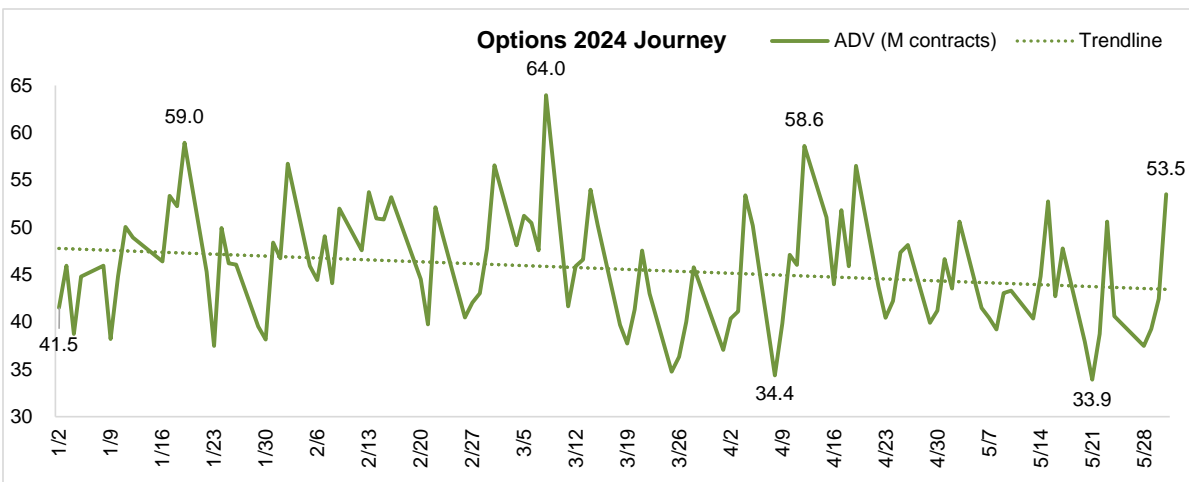
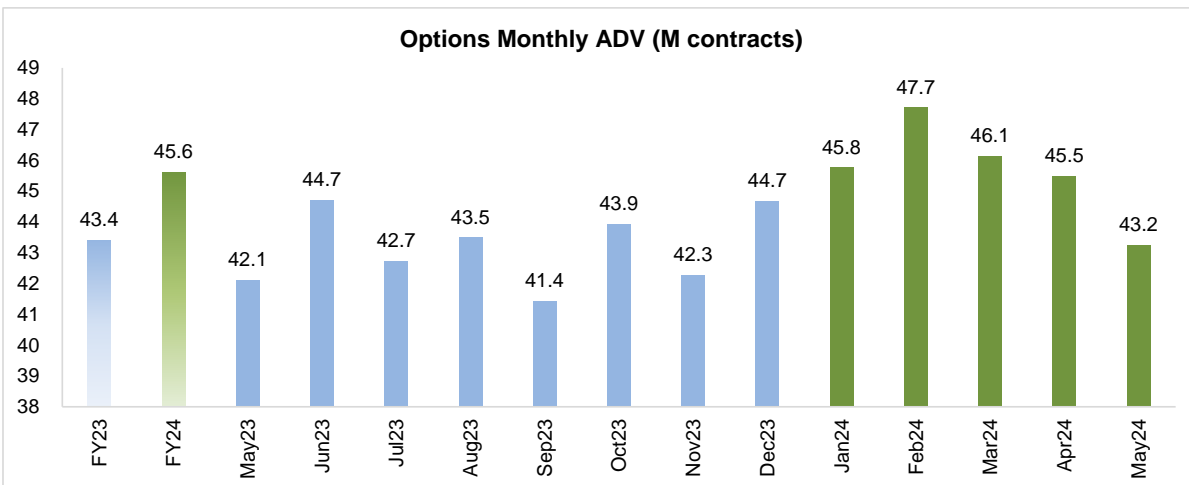
- Monthly average 12.5 billion shares
  - +13.7% M/M
  - +17.1% Y/Y
  - +3.8% from the start of the year
- Monthly peak on the 16<sup>th</sup> at 18.2 billion shares, troughed on the 10<sup>th</sup> at 9.6 billion
- Monthly average off exchange trading 46.9%; +2.5 pps M/M, +3.9 pps Y/Y



Source: Cboe Global Markets, SIFMA estimates

Options Volumes (ADV)

- Monthly average 43.2 million contracts
  - -4.9% M/M
  - +2.7% Y/Y
  - +4.1% from the start of the year
- Monthly peak on the 31<sup>st</sup> at 53.5 million contracts, troughed on the 21<sup>st</sup> at 33.9 million contracts
- Monthly equity options 39.4 million contracts (-4.0% M/M, +2.5% Y/Y), index options 3.8 million contracts (-13.2% M/M, +4.8% Y/Y)



Source: Cboe Global Markets, SIFMA estimates



## Author

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