



RESEARCH

Insights

Monthly Market Metrics and Trends: January

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

Published: February 2025

Market Theme

- Welcome to the Year of the Snake! As has become our tradition in the January Monthly Metrics, we turn to the January barometer to help us predict the markets journey for the year ahead.
- Since 1990, January market performance was positive 58.3% of the time, and full year market performance was positive 71.4% of the time. When January posted positive market performance, the full year performance was positive 45.7% of the time. Over the last ten years, markets were positive/positive 40.0% of the time.
- Since 1990, there were three Year of the Snakes: two with a positive January performance, but the full years were split between positive and negative performance. Year of the Snake was last positive/positive in 2013.
- This year, we ended January positive, +2.7% – will we be going for the 17th positive/positive year?

Market Metrics

- Volatility (VIX): Monthly average 16.75; +5.5% M/M, +25.0% Y/Y
- S&P 500 (Price): Monthly average 5,979.52; -0.5% M/M, +24.5% Y/Y
- Performance: Best = comms +9.0%; worst = tech -2.9%
- Equity ADV: Monthly average 15.4 billion shares; +5.0% M/M, +33.6% Y/Y
- Options ADV: Monthly average 56.0 million contracts; +10.2% M/M, +22.3% Y/Y

Market Theme

The January Barometer

Welcome to the Year of the Snake! As has become our tradition in the January Monthly Metrics, we turn to the Chinese Zodiac to help us predict the markets journey for the year ahead. The Snake is thought to be intelligent and intuitive, as well as mysterious and resourceful. Looking at photos of various Lunar New Year celebrations and watching the snakes weave up and down, it reminds us of the price chart for the S&P 500 in January – up, down, up, down, up. 2025 already appears to be living up to its name.

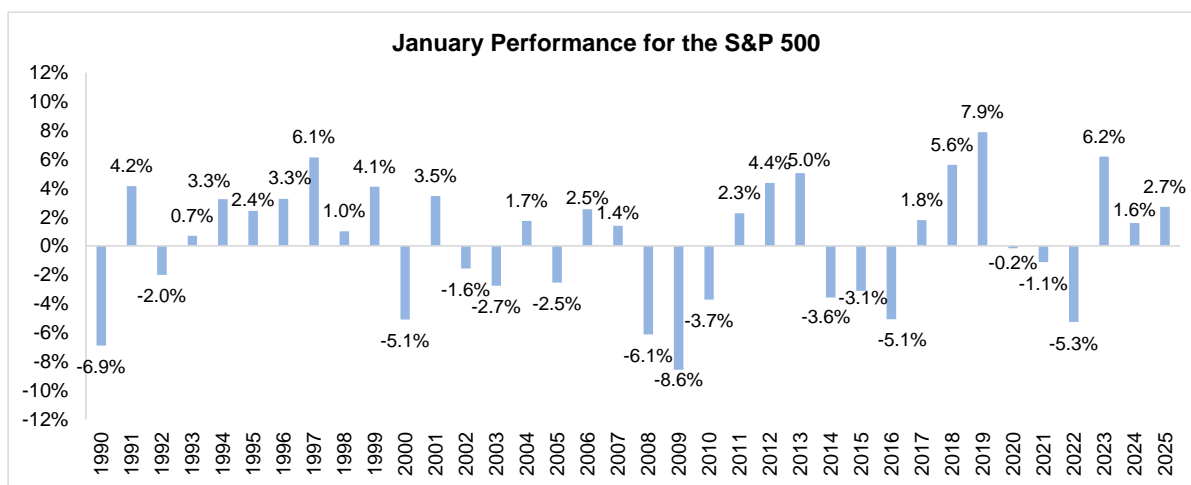
So what is in store for this year? The Chinese Zodiac notes that Snakes could experience some hurdles in 2025, but staying adaptable will help overcome setbacks and achieve success. Let us remember, Snakes rarely back down. This should help markets navigate pockets of uncertainty. We will see what the year brings.

We revisit our January barometer, as some traders view the January performance of the S&P 500 as a predictor for the full year performance – as January goes, so does the year. In 2024, the S&P 500 returned an impressive 23.3%, with a positive January return (+1.6%). By now we all know the numbers. We have not seen two 20% plus return years for the S&P 500 since the 1990s – 2023 return was +24.2%, with a positive January return (+6.2%) – and that phenomenon has only occurred four times going back to the 1920s.

We ended January positive, +2.7%, meaning we have a just under 50% chance of the full year posting a positive market performance.

Since 1990, January market performance was positive 58.3% of the time:

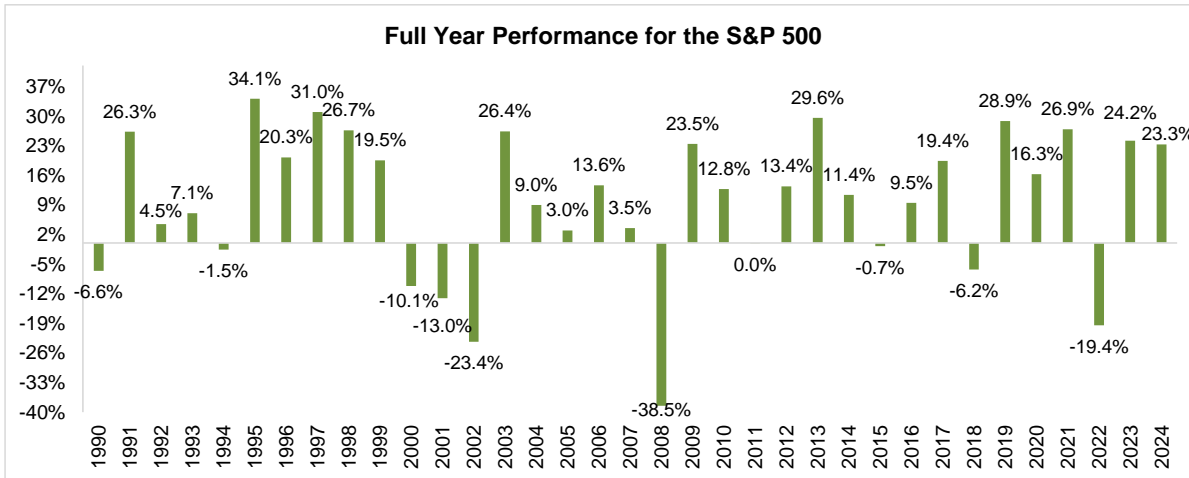
- 21 positive months
 - Ranged from +0.7% to +7.9%
 - 2019 was the best performance
 - 2025 was +2.7%, ranking thirteenth
- 15 negative months
 - Ranged from -0.2% to -8.6%
 - 2009 was the worst performance (during the global financial crisis)



Source: Bloomberg, SIFMA estimates

Since 1990, full year market performance was positive 71.4% of the time:

- 25 positive years
 - Ranged from +3.0% to +34.1%
 - 1995 was the best performance
- 10 negative years
 - Ranged from -0.002% to -38.5%
 - 2008 was the worst performance (during the global financial crisis)



Source: Bloomberg, SIFMA estimates

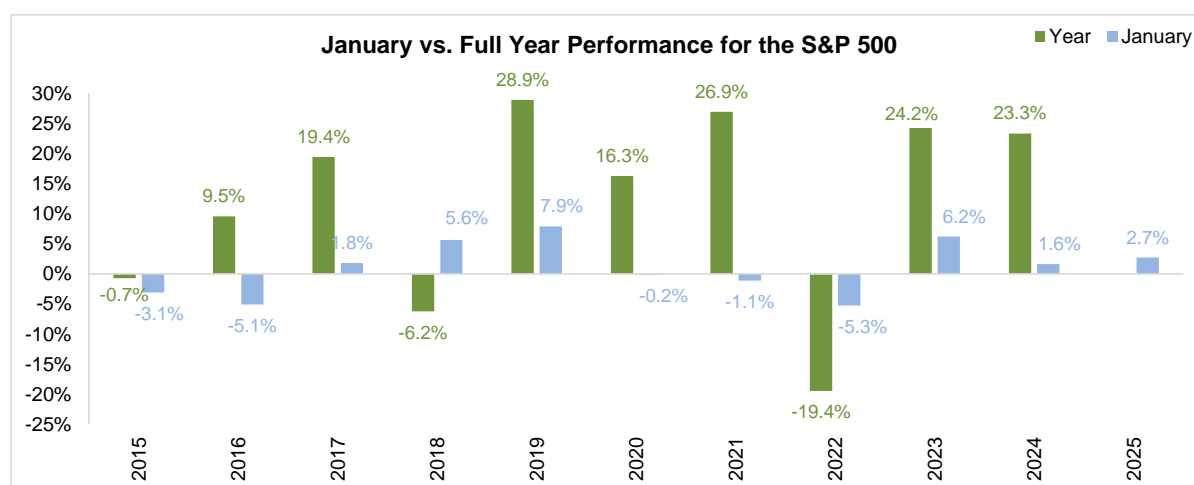
Now we put it all together to determine if as January goes, so does the year. Since 1990, when January posted positive market performance, the full year performance was positive 45.7% of the time. The following shows the correlations between January and full year S&P 500 performance:

- 16 years with a positive January and a positive full year
- 6 years with a negative January and a negative full year
- 13 years where the correlation broke
 - 4 years where January was positive, but the year ended negative
 - 9 years where January was negative, but the year ended positive

Looking back over the last ten years, when January posted positive market performance, the full year performance was positive 40.0% of the time:

- 4 years with a positive January and a positive full year
- 2 years with a negative January and a negative full year
- 4 years where the correlation broke
 - 1 year where January was positive, but the year ended negative
 - 3 years where January was negative, but the year ended positive

2025 started off with a positive January market performance, +2.7%. Will we be going for the 17th positive/positive year? Since 1990, there were three Year of the Snakes, including 2025. For these three years, two of the three years posted a positive January performance. However, the full years were split between positive and negative performance. The last Year of the Snake with a positive/positive performance was 2013.



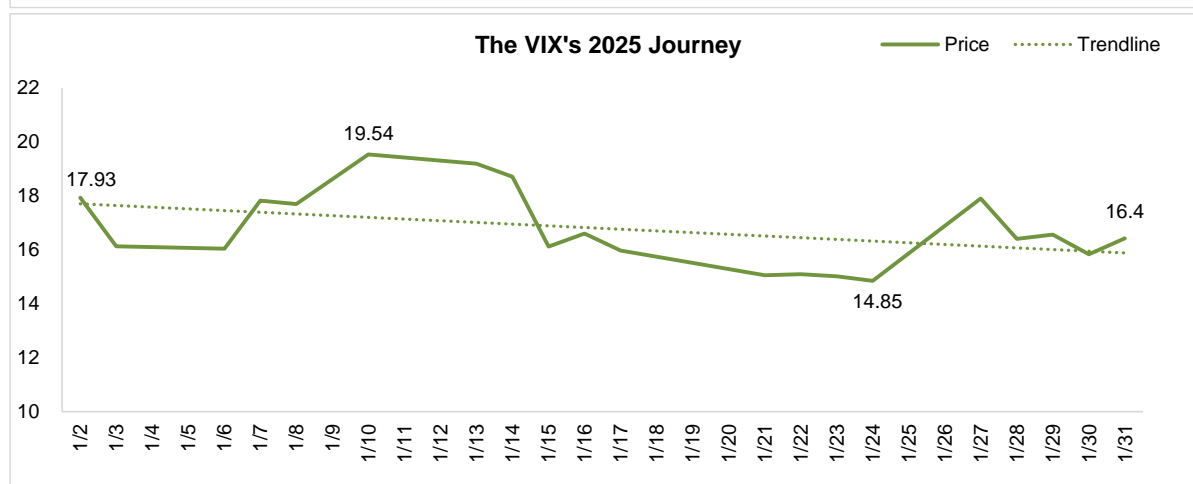
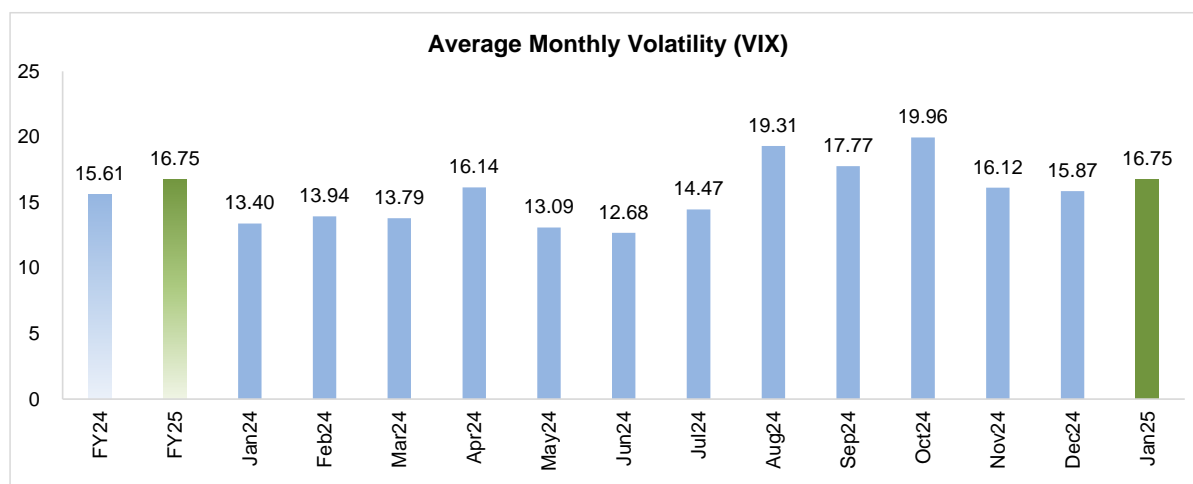
Source: Bloomberg, SIFMA estimates

Market Metrics

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

Volatility (VIX)

- Monthly average 16.75
 - +5.5% M/M
 - +25.0% Y/Y
- Monthly peak on the 10th at 19.54, troughed on the 24th at 14.85

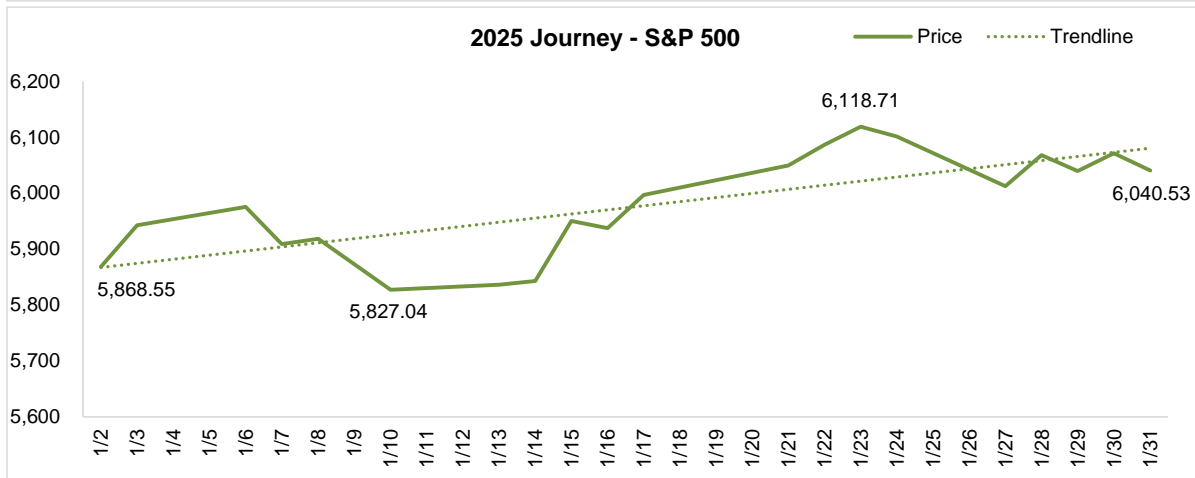
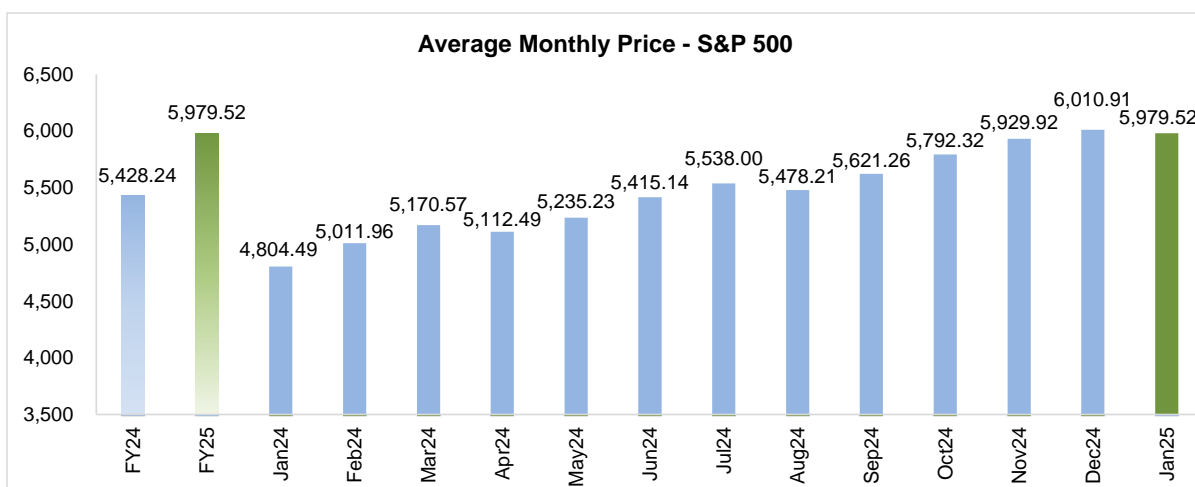


Source: Bloomberg, SIFMA estimates

Note: Data labels depict the start of the year, the last closing price, peaks/troughs for the year and month (if different from the other data points already labelled). When looking at troughs, we do not include days when the market closed early, unless it is the end of the month: July 3, November 28, and December 24.

S&P 500 Index: Price

- Monthly average 5,979.52
 - -0.5% M/M
 - +24.5% Y/Y
- Monthly peak on the 23rd at 6,118.71, troughed on the 10th at 5,827.04

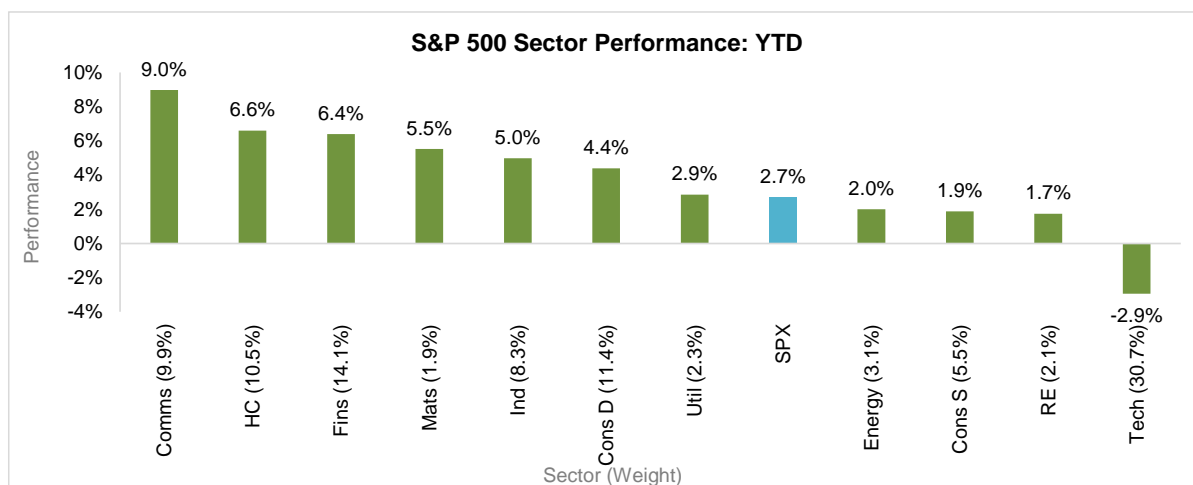


Source: Bloomberg, SIFMA estimates

S&P 500 Index: Sector Breakout

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

- Best performing sectors
 - YTD = communications at +9.0% and healthcare at +6.6%
- Worst performing sectors
 - YTD = tech at -2.9% and real estate at +1.7%

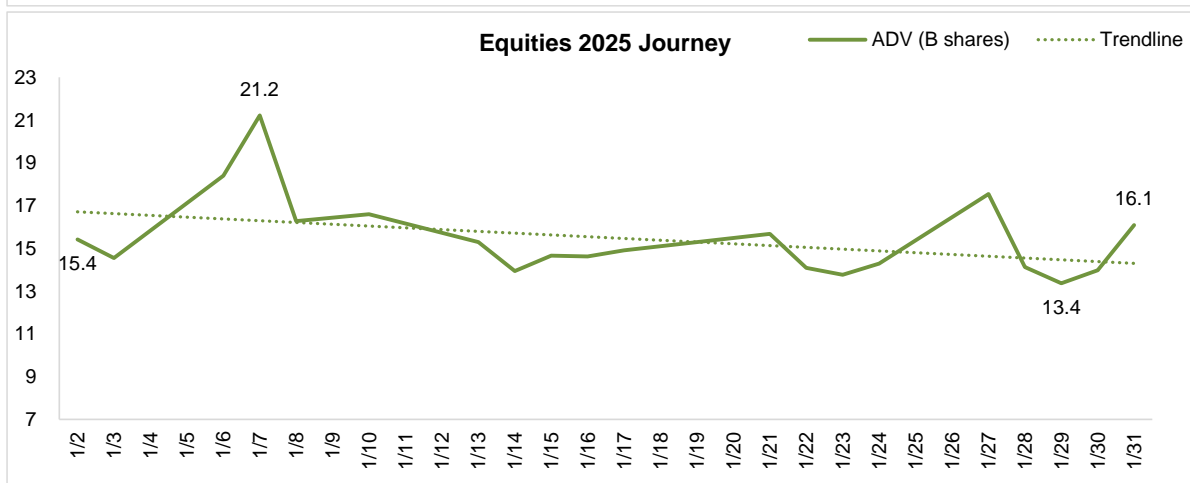
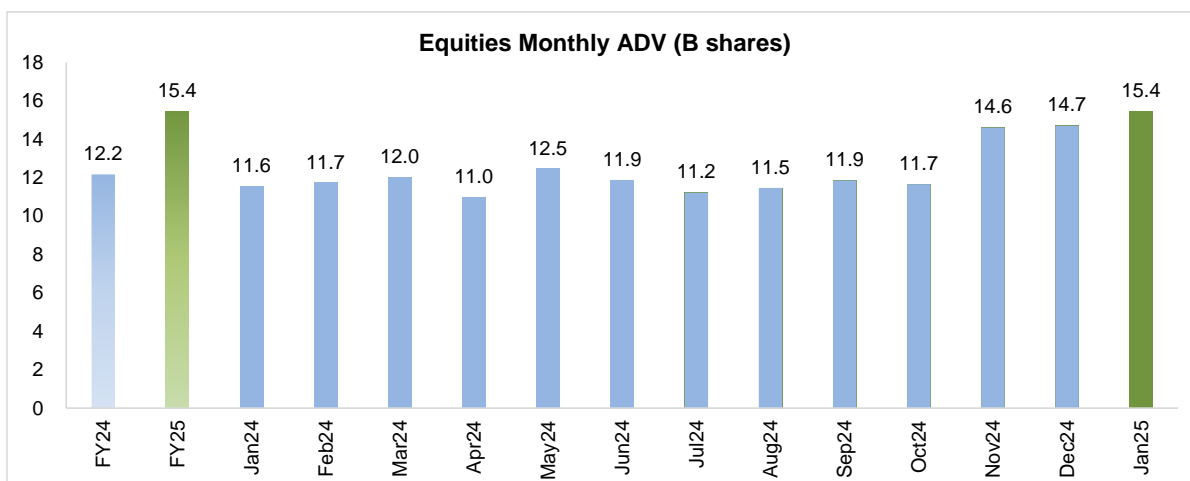


Source: Bloomberg, SIFMA estimates

Note: 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 15.4 billion shares
 - +5.0% M/M
 - +33.6% Y/Y
- Monthly peak on the 7th at 21.2 billion, troughed on the 29th at 13.4 billion
- Monthly average off exchange trading 51.5%; +0.3 pps M/M, +17.1 pps Y/Y

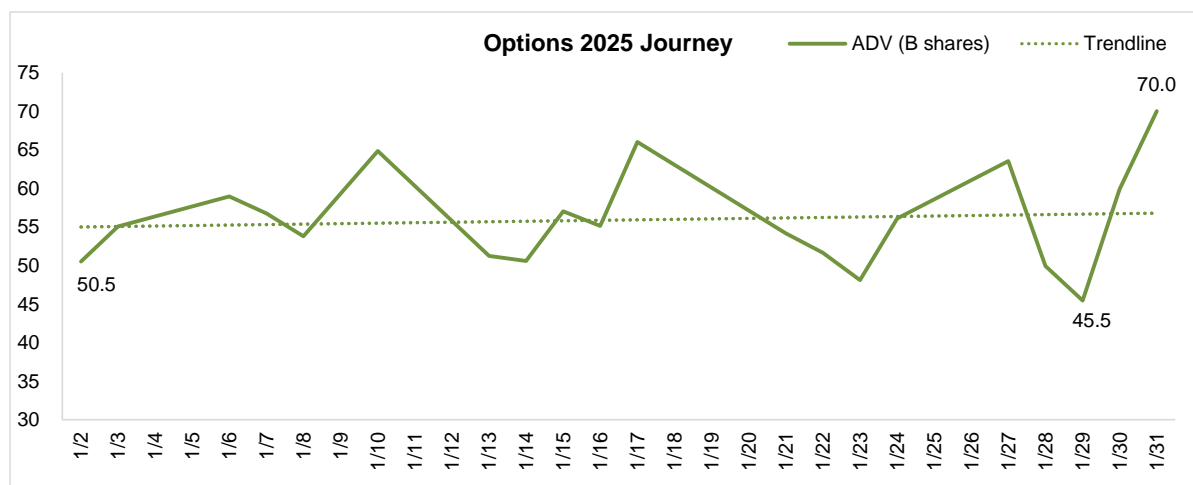
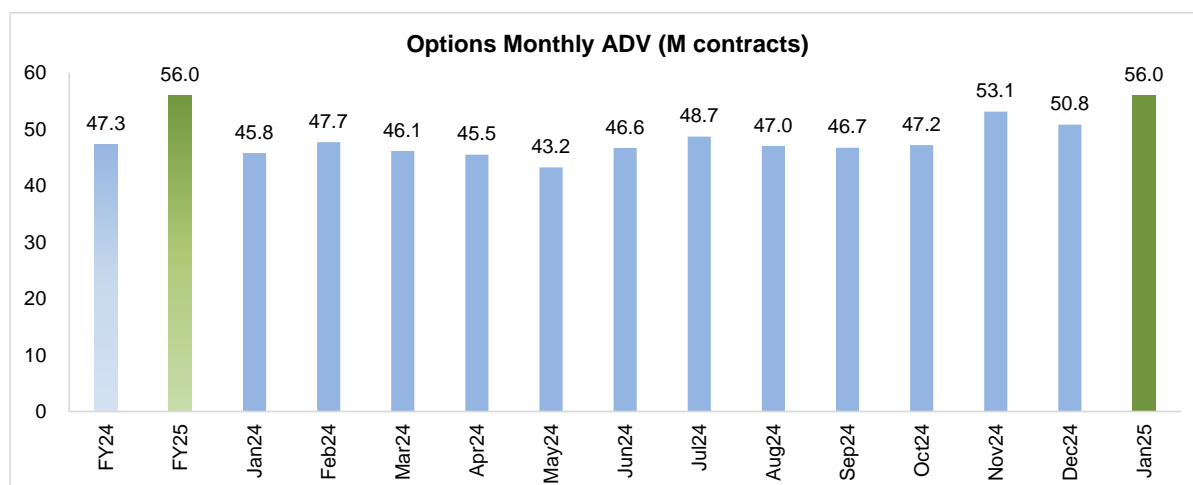


Source: Cboe Global Markets, SIFMA estimates.

Note: Data labels depict the start of the year, the last closing price, peaks/troughs for the year and month (if different from the other data points already labelled). When looking at troughs, we do not include days when the market closed early, unless it is the end of the month: July 3, November 28, and December 24.

Options Volumes (ADV)

- Monthly average 56.0 million contracts
 - +10.2% M/M
 - +22.3% Y/Y
- Monthly peak on the 31st at 70.0 million contracts, troughed on the 29th at 45.5 million contracts
- Monthly equity options 51.4 million contracts (+10.0% M/M, +23.5% Y/Y), index options 4.5 million contracts (+12.6% M/M, +10.0% Y/Y)



Source: Cboe Global Markets, SIFMA estimates

Note: Data labels depict the start of the year, the last closing price, peaks/troughs for the year and month (if different from the other data points already labelled). When looking at troughs, we do not include days when the market closed early, unless it is the end of the month: July 3, November 28, and December 24.

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