



RESEARCH

Insights

Monthly Market Metrics and Trends: March

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

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Market Musings

- As we closed out 1Q, the S&P 500 was down 4.6%. Inflation concerns, slowing GDP growth, and uncertainty over tariff policy continued to weigh on markets, with uncertainty the only certain this year.
- Markets avoided ending the month in correction territory – though we did briefly enter correction territory in the middle of the month – closing down 8.7% to the mid-February peak.
- The headline number may not be the full story. During the post-election bump, S&P 500 rose 3.0% to year end. March was -1.8% to pre-election level. Markets gave back gains & then some, but less than the headline figure.
- Can markets have a bad start to the year and still record an annual return close to the 8.0% historical average? It looks like a coin toss, i.e. 50/50, as to posting a negative 1Q and still ending the full year in positive territory.

Market Metrics

- Volatility (VIX): Monthly average 21.84; +28.1% M/M, +58.4% Y/Y
- S&P 500 (Price): Monthly average 5,683.98; -5.9% M/M, +9.9% Y/Y
- Performance (month/year): Best = Energy/Energy +3.7%/+9.3%; worst = Cons D/Cons D, -9.0%/-14.0%
- Equity ADV: Monthly average 16.0 billion shares; +2.5% M/M, +33.1% Y/Y
- Options ADV: Monthly average 57.0 million contracts; -0.9%, +23.5% Y/Y

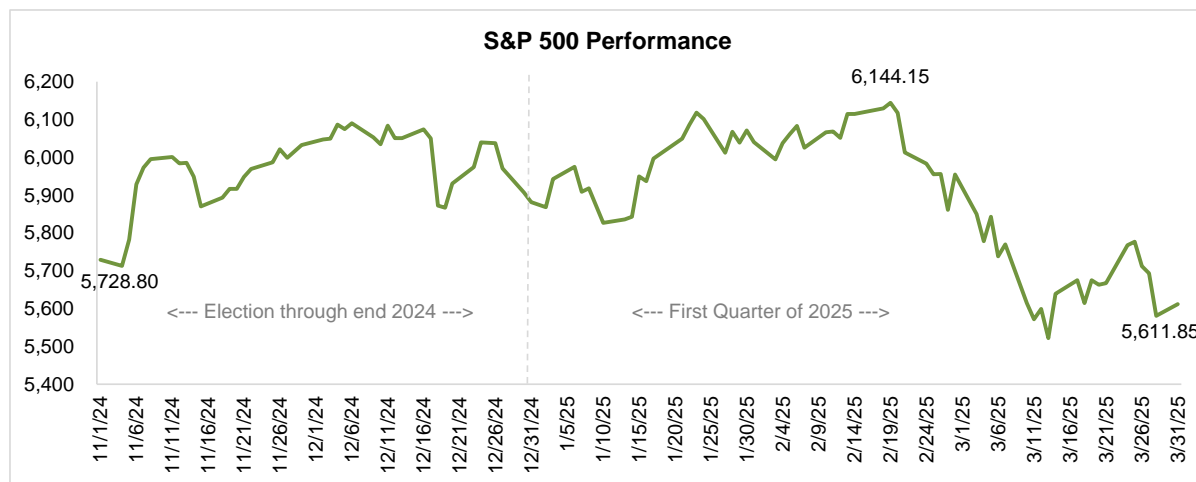
Market Musings

Can Markets Recover from a Weak Start?

As we closed out the first quarter of the year, the S&P 500 was down 4.6%. Inflation concerns, slowing GDP growth, and the uncertainty over tariff policy – and the potential for retaliatory trade wars – continued to weigh on markets, with uncertainty the only certain this year. Markets avoided ending the month in correction territory – though we did briefly enter correction territory in the middle of the month – closing down 8.7% to the mid-February peak.

While this level of decline is painful for anyone invested in a fund indexed to the S&P 500, the headline number may not be the full story. Late last year, markets experienced a post-election bump, fueled by euphoria for deregulation and a general pro-business environment under the Trump administration. The S&P 500 rose 3.0% from the election through the end of the year. March 2025 closed down 1.8% to the pre-election level.

Markets have given back the post-election gains and then some, but to less extent than the headline figure. (It still hurts to look at your investment portfolio in the near term.)



Source: Bloomberg, SIFMA Estimates

Next, we looked at read throughs of the first quarter's performance for the full year. Can markets have a bad start to the year and still record an annual return close to the historical average? (On average since 1928, the S&P 500 returned 8.0%.) Going back to 1980, there were fourteen instances of negative returns in the first quarter – fifteen when counting 2025 – though 2002 was only slightly negative.

It looks like a coin toss, i.e. 50/50, as to posting a negative return in the first quarter and still ending the full year in positive territory. Markets experienced this in seven out of the fourteen instances of a negative first quarter. Of these seven occurrences, four years were at or above the historical average, or this occurred 57% of the time.

At best, we would say markets can be cautiously optimistic for a positive full-year performance.

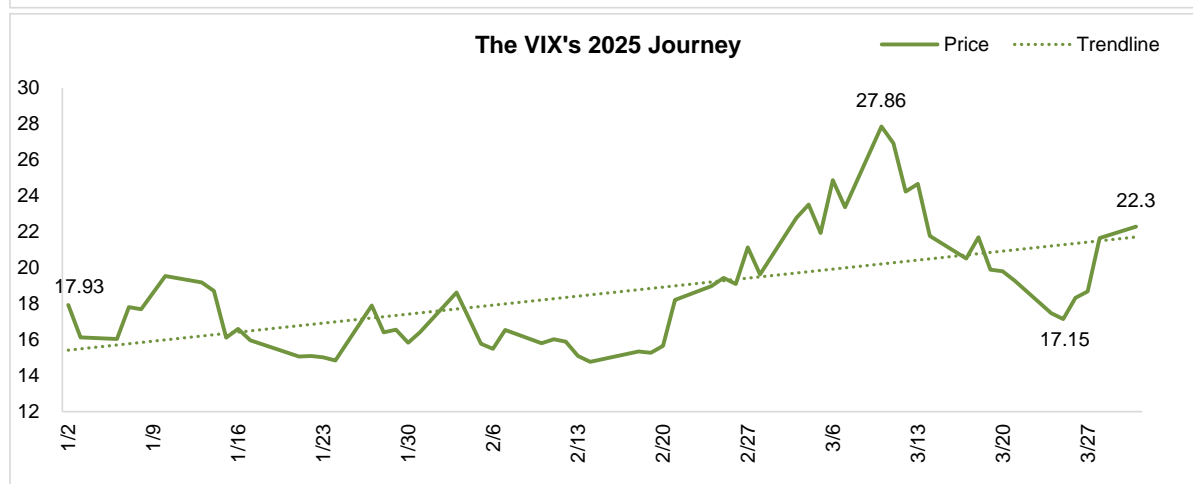
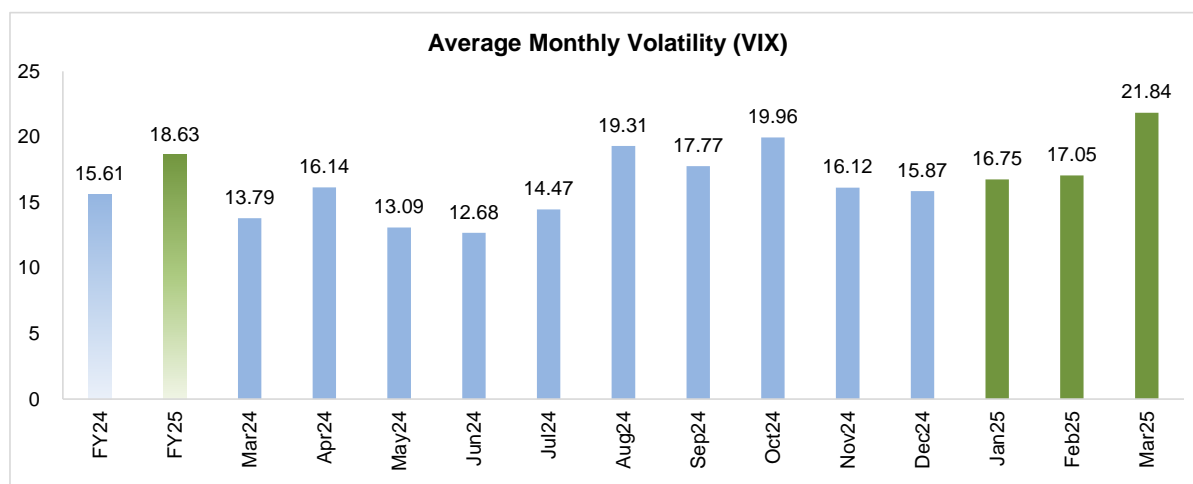
Year	Q1 Return	Annual Return
2020	-20.0%	16.3%
2001	-12.1%	-13.0%
2009	-11.7%	23.5%
2008	-9.9%	-38.5%
1982	-8.6%	14.8%
2022	-4.9%	-19.4%
1994	-4.4%	-1.5%
1990	-3.8%	-6.6%
2003	-3.6%	26.4%
1984	-3.5%	1.4%
1992	-3.2%	4.5%
2005	-2.6%	3.0%
2018	-1.2%	-6.2%
2002	-0.1%	-23.4%
YTD	-4.6%	?

Market Metrics

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

Volatility (VIX)

- Monthly average 21.84
 - +28.1% M/M
 - +58.4% Y/Y
- Monthly peak on the 10th at 27.86, troughed on the 25th at 17.15

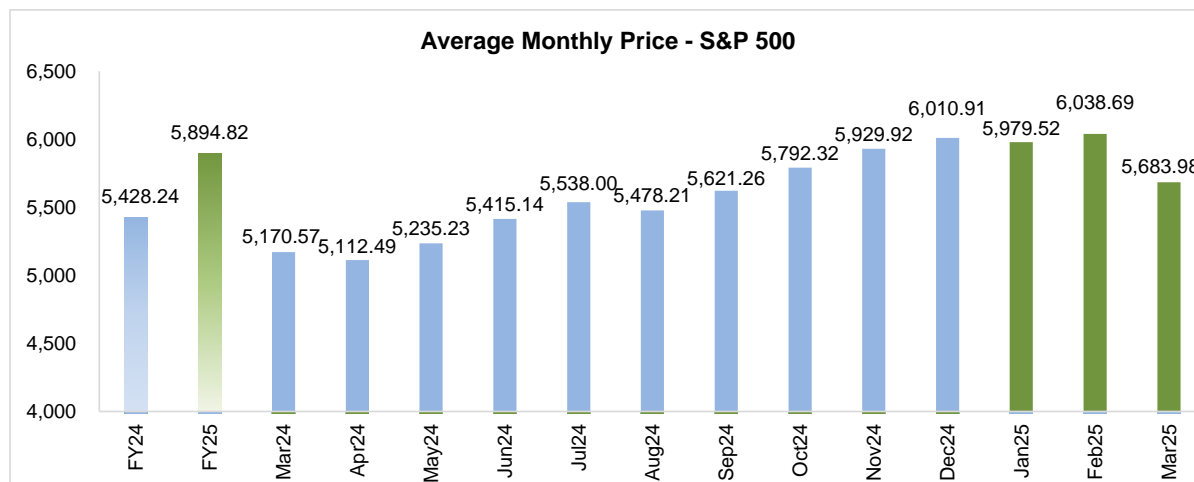


Source: Bloomberg, SIFMA estimates

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 5,683.98
 - -5.9% M/M
 - +9.9% Y/Y
- Monthly peak on the 3rd at 5,849.72, troughed on the 13th at 5,521.52

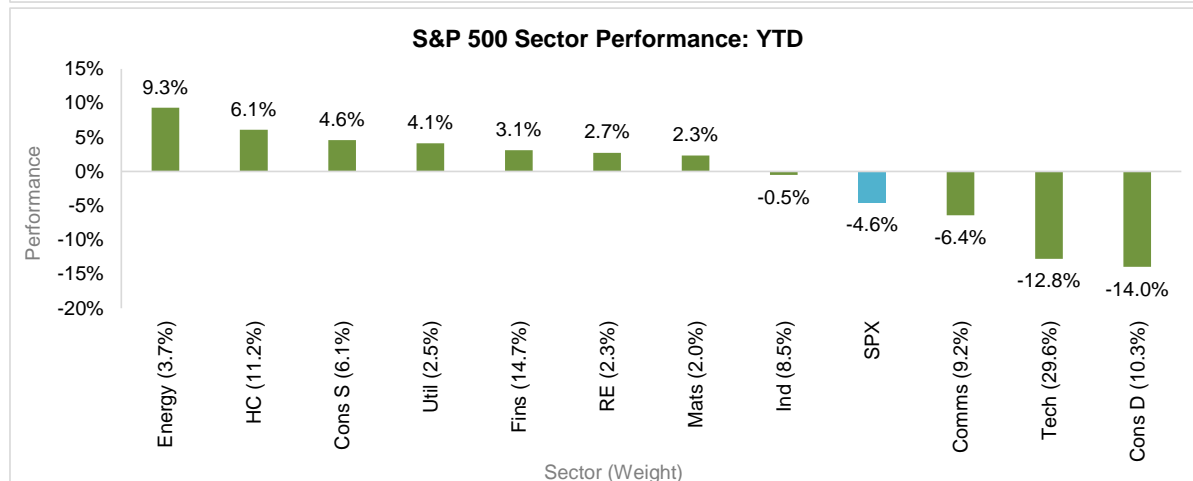
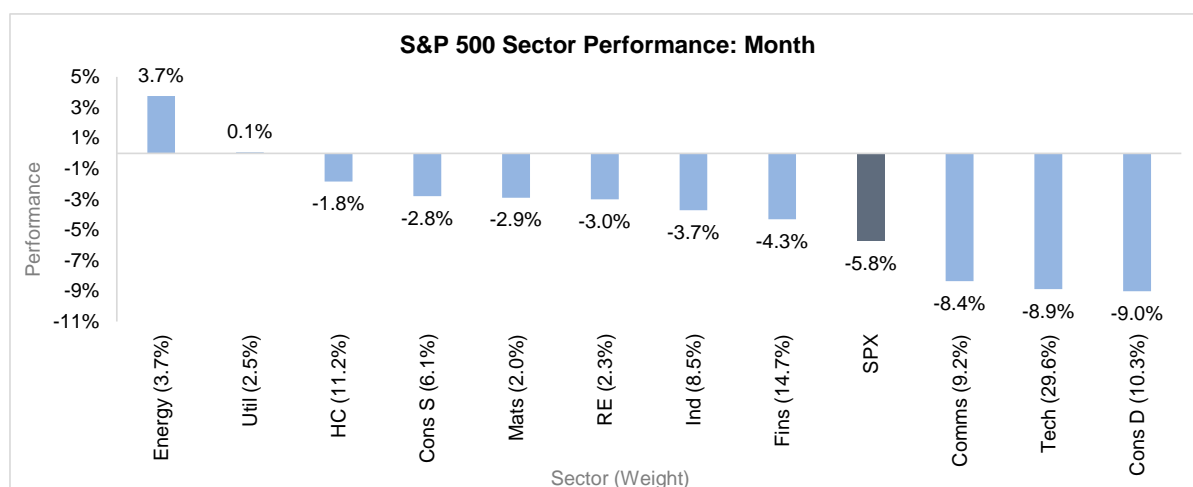


Source: Bloomberg, SIFMA estimates

S&P 500 Index: Sector Breakout

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

- Best performing sectors
 - Month = Energy at +3.7% and Utilities at +0.1%
 - YTD = Energy at +9.3% and Healthcare at +6.1%
- Worst performing sectors
 - Month = Consumer Discretionary at -9.0% and Technology at -8.9%
 - YTD = Consumer Discretionary at -14.0% and Technology at -12.8%

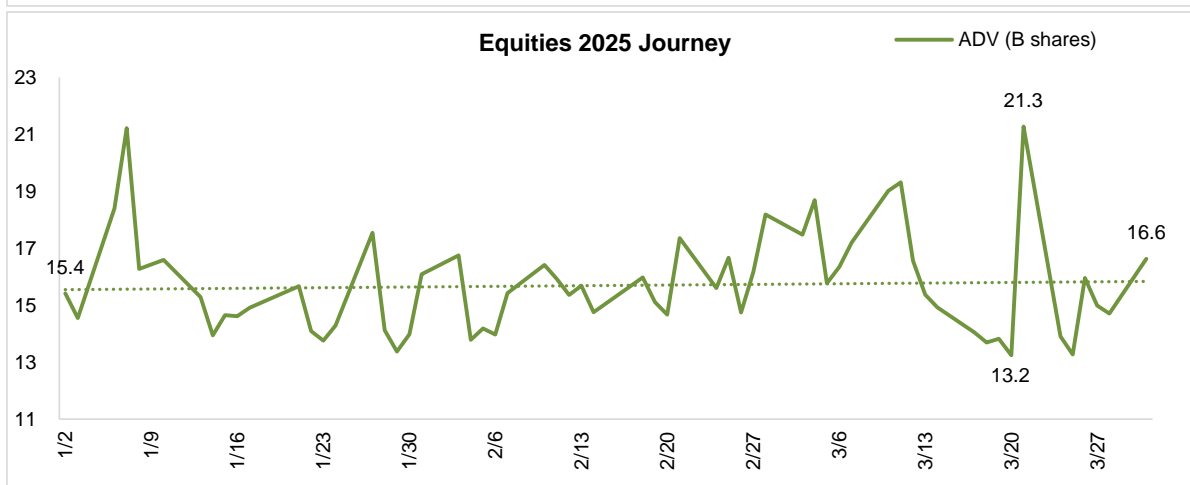
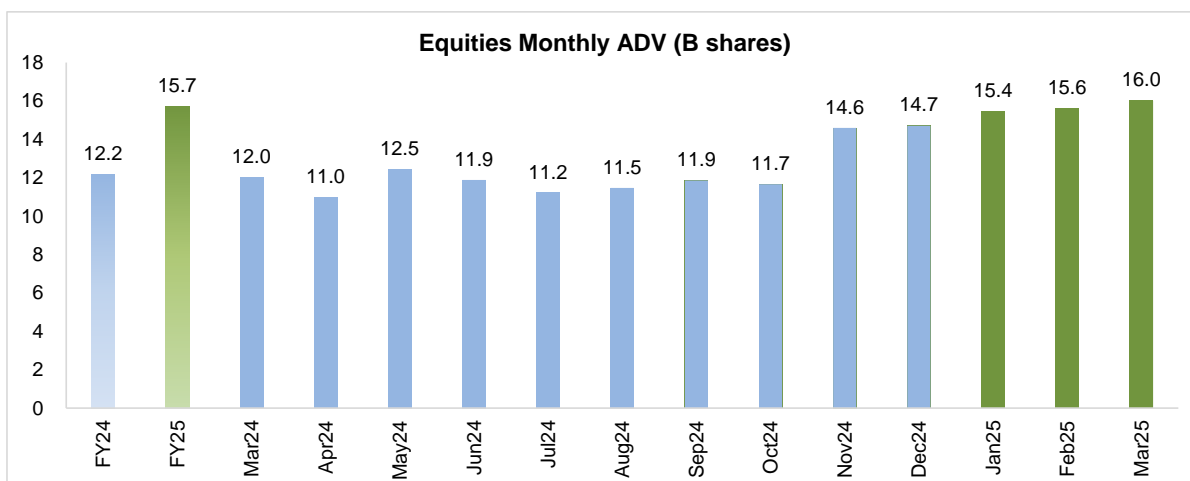


Source: Bloomberg, SIFMA estimates

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 16.0 billion shares
 - +2.5% M/M
 - +33.1% Y/Y
- Monthly peak on the 21st at 21.3 billion, troughed on the 20th at 13.2 billion
- Monthly off exchange trading 48.9%, -3.8% M/M, +11.8% Y/Y

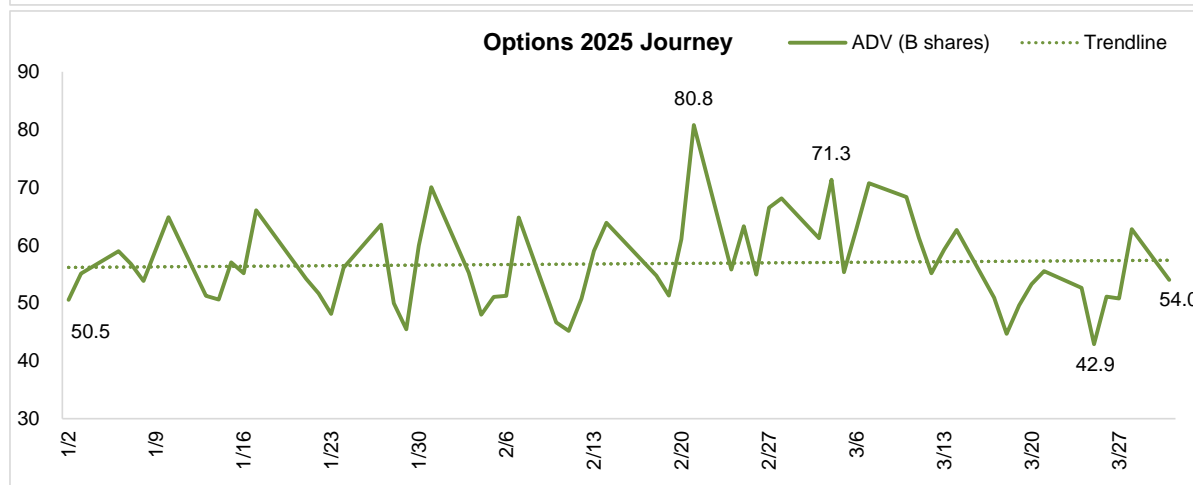
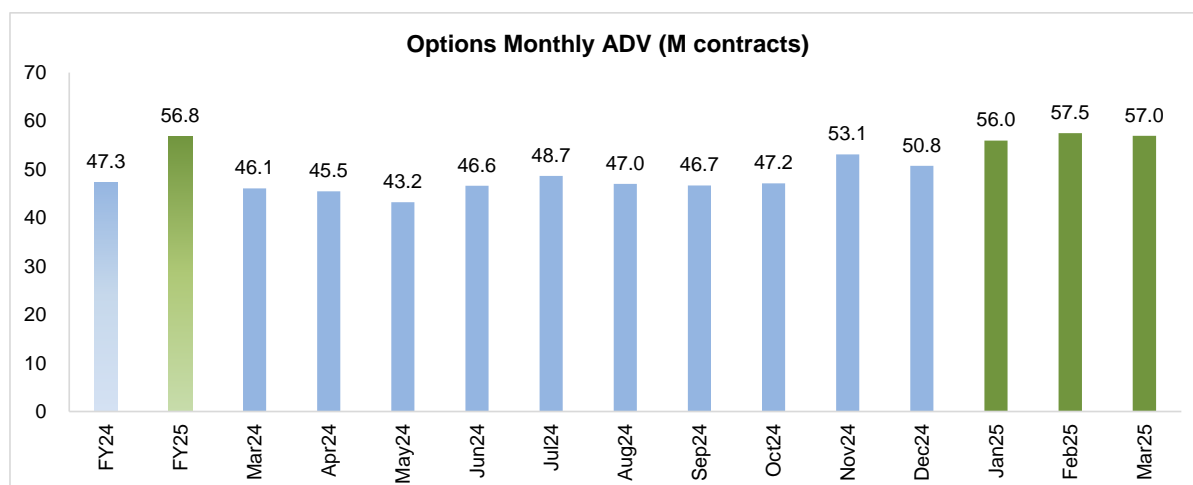


Source: Cboe Global Markets, SIFMA estimates.

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 57.0 million contracts
 - -0.9% M/M
 - +23.5% Y/Y
- Monthly peak on the 4th at 71.3 million contracts, troughed on the 25th at 42.9 million contracts
- Monthly equity options 51.7 million contracts (-2.5% M/M, +22.9% Y/Y), index options 5.3 million contracts (+17.4% M/M, +29.6% 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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