



RESEARCH

Insights

Market Musings: VIX

How Tariff Driven Volatility Ranks Over Time

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Key Takeaways

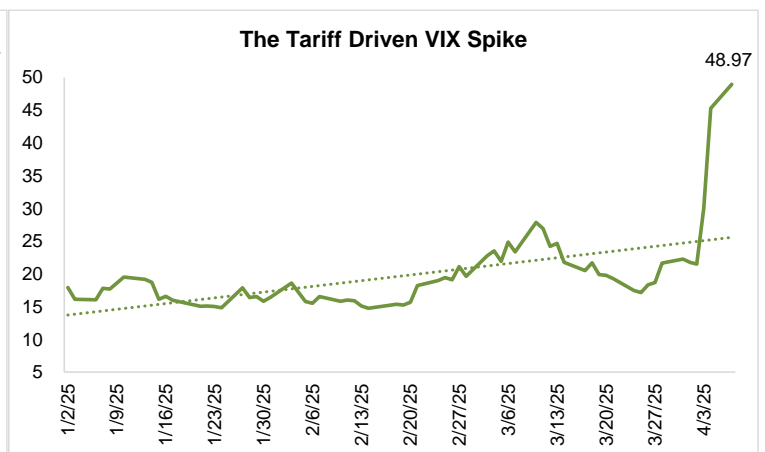
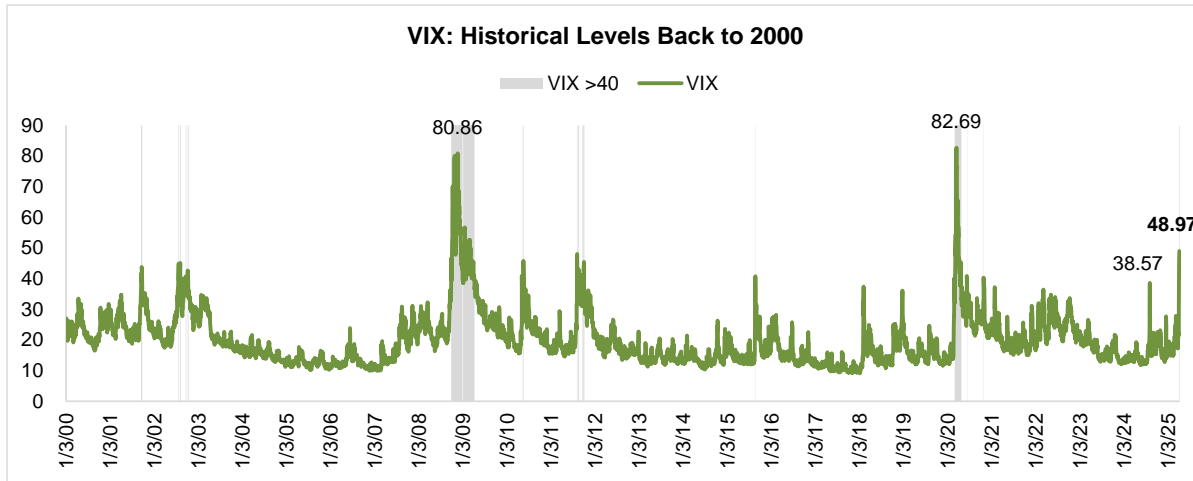
- Inflation concerns, increasing recession risk, and, importantly, the uncertainty over tariff policy and the potential for retaliatory trade wars continue to weigh on – not only U.S. but global – markets. With uncertainty the only certainty this year, volatility continued to rise. Volatility thrives under uncertainty
- After a weekend announcement by President Trump that the aggressive tariff policy will remain, the VIX spiked, bouncing between the high 47 to low 49 range (and flirting with the 60 level to start the day).
- This is the 4th highest peak for the VIX since 2000. Markets have not seen the VIX in the high 40 level since early COVID, and the VIX has only been in the high 40s for an extended time during the Global Financial Crisis.
- It is rare for the VIX to cross the 40 mark. This occurred 190 times, or 3.0% of trading days since 2000. The majority of these days occurred during the Global Financial Crisis, followed by the start of COVID. So far in 2025, we have seen two days above this level. We will see what the rest of the year holds.

Uncertainty Is the Only Certainty

Inflation concerns, increasing recession risk, and, importantly, the uncertainty over tariff policy and the potential for retaliatory trade wars continue to weigh on – not only U.S. but global – markets. With uncertainty the only certainty this year, volatility continued to rise.

After a weekend announcement by President Trump that the aggressive tariff policy will remain, the VIX spiked, bouncing between the high 47 to low 49 range this morning (and flirting with the 60 level to start the day). After realigning to historical levels last year – average VIX in 2024 was 15.61 – the VIX has been on an overall upward slope yet with an unstable pattern since late February.

Volatility thrives under uncertainty.



Source: Bloomberg, SIFMA Estimates

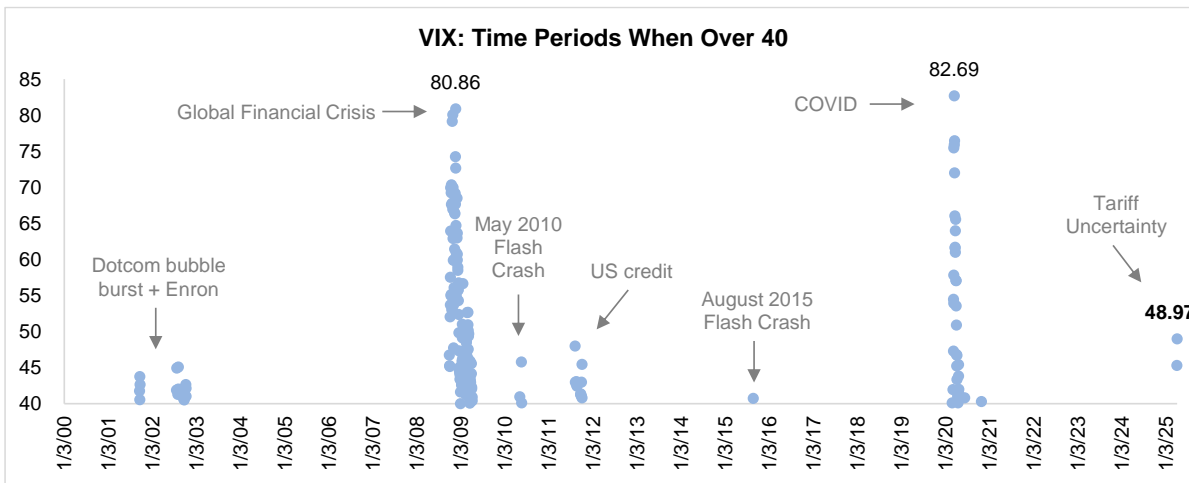
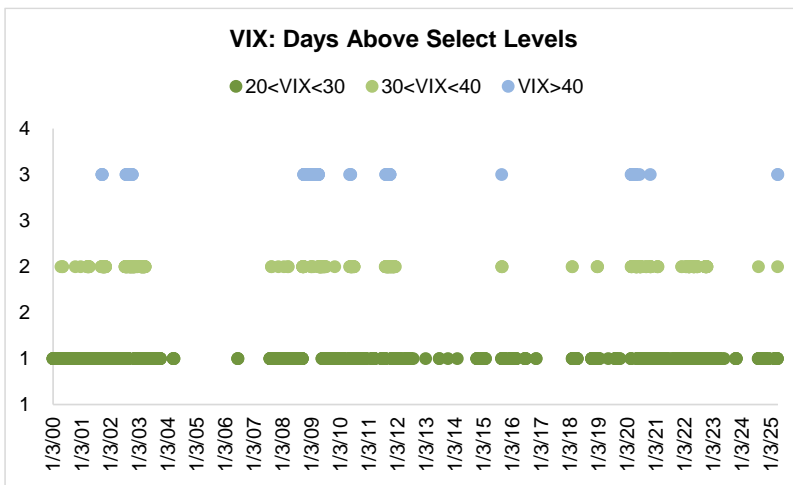
With today's peak – we were writing this intraday, and the level keeps changing – the VIX hit the fourth highest peak looking back to 2000. Markets have not seen the VIX in the high 40 level since early COVID in March 2020. The VIX has only been in the high 40s for an extended time period during the Global Financial Crisis in 2008-2009. That said, the average VIX YTD remains (slightly) below 20, ranking eleventh in this time series. As a year is a long time, we will see where the average VIX ends the year.

	Average	Rank	Peak	Rank
2000	23.32	8	33.49	15
2001	25.75	5	43.74	8
2002	27.29	4	45.08	7
2003	21.98	10	34.69	14
2004	15.48	20	21.58	23
2005	12.81	24	17.74	25
2006	12.81	25	23.81	22
2007	17.54	14	31.09	16
2008	32.69	1	80.86	2
2009	31.48	2	56.65	3
2010	22.55	9	45.79	6
2011	24.20	7	48.00	5
2012	17.80	13	26.66	18
2013	14.23	22	20.49	24
2014	14.18	23	26.25	20
2015	16.67	16	40.74	9
2016	15.83	18	28.14	17
2017	11.09	26	16.04	26
2018	16.64	17	37.32	11
2019	15.39	21	25.45	21
2020	29.25	3	82.69	1
2021	19.66	12	37.21	12
2022	25.62	6	36.45	13
2023	16.87	15	26.52	19
2024	15.61	19	38.57	10
YTD	19.77	11	48.97	4

Source: Bloomberg, SIFMA Estimates

Again looking back to 2000, we analyzed when the VIX crossed certain thresholds. It is somewhat common for the VIX to cross over the 20 mark but remain below 30. This occurred over 1,800 times, or 29.3% of trading days. Conversely, it is quite uncommon for the VIX to cross over the 30 mark but remain below 40. This occurred 420 times, or 6.6% of trading days.

It is even rarer for the VIX to cross the 40 mark. This occurred 190 times, or 3.0% of trading days. The majority of these days occurred during the Global Financial Crisis, followed by the start of COVID. So far in 2025, we have seen two days above this level. We will see what the rest of the year holds.



Source: Bloomberg, SIFMA Estimates

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