

IQS Brief – Election Returns

What happens before and after Presidential Elections? Do the results differ depending upon which party wins?

Comments:

- Data for all Presidential elections since 1972 (11 elections), plus 2016
- The returns for the last 3 Octobers before the election were negative. Only 2 of the previous 9 were negative.
- The returns for October before the election has seen 5 out of 6 positive returns before the Republican has won, and 2 out of 5 before the Democrat has won.
- When a Democrat has won, the S&P 500 has a positive return in the subsequent year 4 out of 5 times (80%)
- When a Republican has won, the S&P 500 has a positive return in the subsequent year 3 out of 6 times (50%)
- The November of the election year, the market seems indifferent between who wins. Positive for Democrat 3 out of 5, and Positive for Republican 3 out of 6.
- The December after the election has seen positive returns in 9 of the 11 election years, and the last 4 election years in a row.
- Since 1984, the year after the election has seen 7 out of 8 positive returns (87.5%) and double digit gains in 6 of them.



All Returns Shown below are S&P 500 Total Returns

Year	WINNER	YTD Before Election	October	November	December	Subsequent Year
2016		5.9%	-1.8%			
2012	Democrat	14.3%	-1.9%	0.6%	0.9%	32.4%
2008	Democrat	-32.8%	-16.8%	-7.2%	1.1%	26.4%
2004	Republican	3.1%	1.5%	4.1%	3.4%	4.9%
2000	Republican	-1.8%	-0.4%	-7.9%	0.5%	-11.9%
1996	Democrat	16.6%	2.8%	7.6%	-2.0%	33.4%
1992	Democrat	2.8%	0.4%	3.4%	1.2%	10.1%
1988	Republican	16.3%	2.8%	-1.4%	1.7%	31.7%
1984	Republican	4.7%	0.4%	-1.1%	2.6%	31.7%
1980	Republican	23.5%	2.0%	10.7%	-3.0%	-4.9%
1976	Democrat	17.8%	-1.9%	-0.4%	5.6%	-7.1%
1972	Republican	12.0%	1.2%	4.8%	1.4%	-14.7%

Returns	October Before		November		Subsequent Year	
	Dem Wins	Rep Wins	Dem Wins	Rep Wins	Dem Wins	Rep Wins
Positive	2	5	3	3	4	3
Negative	3	1	2	3	1	3





