



IT'S POSSIBLE TO PROFIT FROM PATIENCE

It's nearly impossible to time the market and identify its peaks and troughs. If history is any guide, short-term drops in the stock market typically have been followed by longer-term rallies.

Stay invested for market recoveries

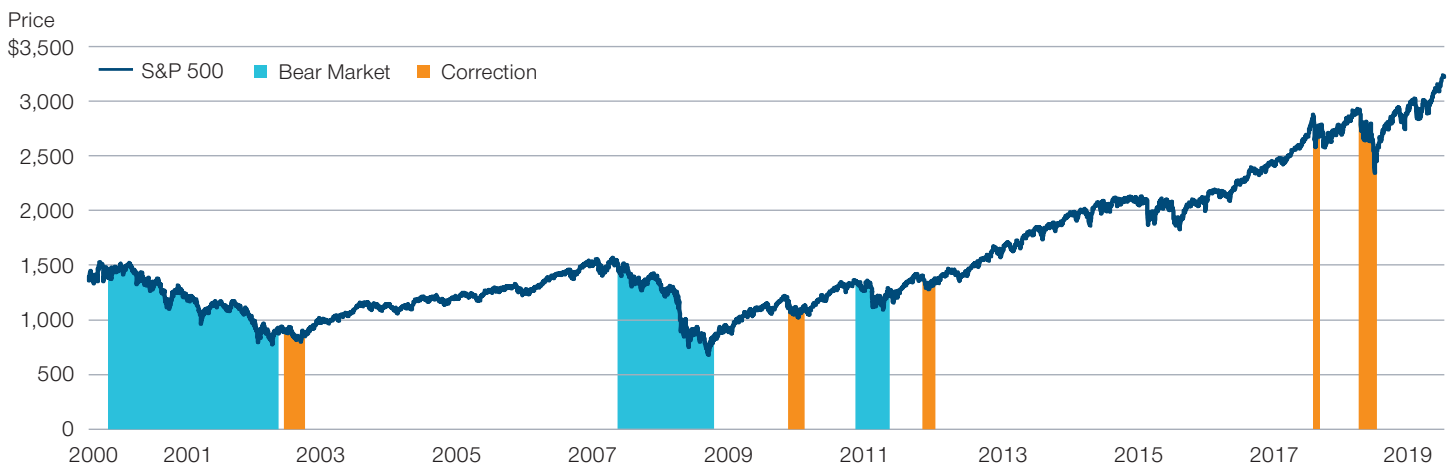
The graph below shows that after market corrections (defined as a drop of at least 10%), the stock market typically recovered lost ground after three to six months. For the two bear markets (defined as a decline of at least 20%), stocks were back to their prior levels within four to five years.

Trying to time the market can result in two types of losses. First, converting stocks to cash after they have lost value can lock in those losses. Second, you could miss out on gains when the market rallies if you wait too long to get back in.

Don't let volatility change your plan

Market volatility is a given. Short-term downturns can be disconcerting, and they may heighten anxiety among some investors. If the stock market's historical trends hold true, a patient investor who absorbs short-term volatility can benefit over the long term.

BEAR MARKETS AND CORRECTIONS JANUARY 2000–DECEMBER 2019



Event	Date	Duration	% Drop	Recovery	% cumulative gain after trough		
					1 Year	3 Years	5 Years
Tech Bubble Crash	4/7/00–10/9/02	2.5 years	-48.77	5 years	33.73%	52.86%	101.50%
Pre-Iraq War	11/27/02–3/11/03	3.5 months	-14.71	2.5 months	38.22	60.37	64.93
Global Financial Crisis	10/9/07–3/5/09	1.5 years	-56.39	4 years	66.83	99.89	174.53
Greek Debt Crisis/Flash Crash	4/15/10–7/2/10	2.5 months	-15.61	4 months	30.83	57.84	103.09
Debt Ceiling Debate/S&P Downgrade	4/29/11–10/3/11	5 months	-19.39	3 months	32.00	79.03	96.61
Post QE/China Growth Slowdown	8/10/15–2/11/16	6 months	-13.07	4 months	27.29	48.15	N/A
Jan/Feb 2018 Correction	1/26/18–2/8/18	0.5 months	-10.16	6.5 months	4.92	N/A	N/A
Q4 2018 Sell-Off	9/20/18–12/24/18	2 months	-19.78	4 months	37.10	N/A	N/A

Drop is based on the percentage drop from the highest market index value just prior to the correction to the lowest market index value. Recovery is defined as the length of time for the market to return to the previous highest market index value, rounded to the nearest number of months.

Sources: T. Rowe Price; S&P. See Additional Disclosures.

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