

Image Source: NASDAQ DORSEY WRIGHT

Although there are still two trading days left in 2021, as noted above, the S&P 500 has not traded below its 200-day moving average once during the year. The last time SPX closed below its 200-day moving average was on June 26, 2020, and it only remained below the long-term moving average for that single day. Prior to that, the last sustained period in which the Index traded below its 200-day moving average was from March 3rd, 2020 to May 26th, 2020. Bearing that in mind, we were curious as to the last time SPX never closed below its 200-day moving average during a given year and what the forward returns looked like in the years following such an occurrence.

The table below uses historical closing price and 200-day moving average data back to the beginning of 1928 and displays the return of SPX for the year in which the Index did not trade below its 200-day moving average along with 1-year, 3-year, and 5-years following. All told, there were 13 years in which SPX did not trade below its 200-day moving average, with the most recent being 2017. Returns during the year in which the index didn't trade below the 200-day MA were positive in all 13 years with the average return being 27.11%, and only one of the years was there a single-digit return (1993). In the year following, the returns are a bit

mixed as more than half the years had negative returns and the average return in all 13 occurrences was relatively flat. 3 and 5-year returns on average very positive at 18.28% and 29.88% with most occurrences being positive. When we examine the live data going back to the S&P 500's inception in 1957 the results are somewhat similar. The notable difference is that the average return in the years following increased. While the batting average for positive or negative returns during the one-year following remains roughly the same, the batting average during the 3 and 5-year periods increases.

Overall, the forward returns following years in which the S&P 500 Index doesn't trade below its 200-day moving average paint a favorable picture. Although returns in the year following are a bit of a mixed bag, the long-term returns appear notably positive and point to the long-term trend remaining intact.

Forward Returns Following Years Where SPX Stays Above 200-Day Moving Average

Year	Performance During Year	1-Year	3-Year	5-Year
2017	19.42%	-6.24%	40.49%	-
2013	29.60%	11.39%	21.13%	35.63%
1997	31.01%	26.69%	36.07%	-9.34%
1995	34.11%	20.26%	99.60%	114.39%
1993	7.06%	-1.54%	58.80%	163.57%
1989	27.25%	-6.56%	23.29%	29.96%
1964	12.97%	9.06%	13.83%	8.63%
1961	23.13%	-11.81%	18.45%	12.27%
1955	26.40%	2.62%	21.39%	27.77%
1954	45.02%	26.40%	11.15%	66.45%
1945	30.72%	-11.87%	-12.44%	17.68%
1936	27.92%	-38.59%	-27.47%	-49.42%
1928	37.88%	-11.91%	-66.65%	-59.06%

Data from 1928 to Present

Average Return	27.11%	0.61%	18.28%	29.88%
Percent Positive	13	6	10	9
Percent Negative	0	7	3	3

**Data is from 12/30/1927 to 12/28/2021*

Data from 1957 to Present

Average Return	23.07%	5.16%	38.96%	50.73%
Percent Positive	8	4	8	6
Percent Negative	0	4	0	1

**Data is from 1/2/1957 to 12/28/2021*

**Data is from 12/30/1927 to 12/28/2021. Performance data is pure price return, not inclusive of dividends or fees. Investors cannot invest directly in an index, like the S&P 500. Indexes have no fee. Past performance is not indicative of future results. Potential for profits is accompanied by possibility of loss.*

▲ DOW 36558.67 70.04 (0.19%) | ▲ NASDAQ 15845.97 79.76 (0.51%) | ▲ S&P500 4807.65 14.59 (0.3%) AS OF 10:30:56EST (DELAYED 20 MINS)

S&P 500 Index (SPX)

As of 12/29/21 - 4793.06 | Up 6.71 (0.14%) | YTD (27.608%)

Default Chart Low: \$4.00 (3/1/71) | Default Chart High: \$4,800.00 (12/28/21)

Models Currently Holding this Security +

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INDEX DATA

TREND	RRISK	MKT_RS VS SPXEWI	PATTERN	MOMENTUM	WEEKLY OBOS
Positive - 6/2/20	1.00	Sig. Sell 5/16/03	Column X Triple Top 12/23/21	+4 D +1 W -4 M	50%

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- 5,000
- 10,000
- 15,000
- 20,000
- 25,000
- 30,000
- 35,000
- 50,000

ANOTHER CHART

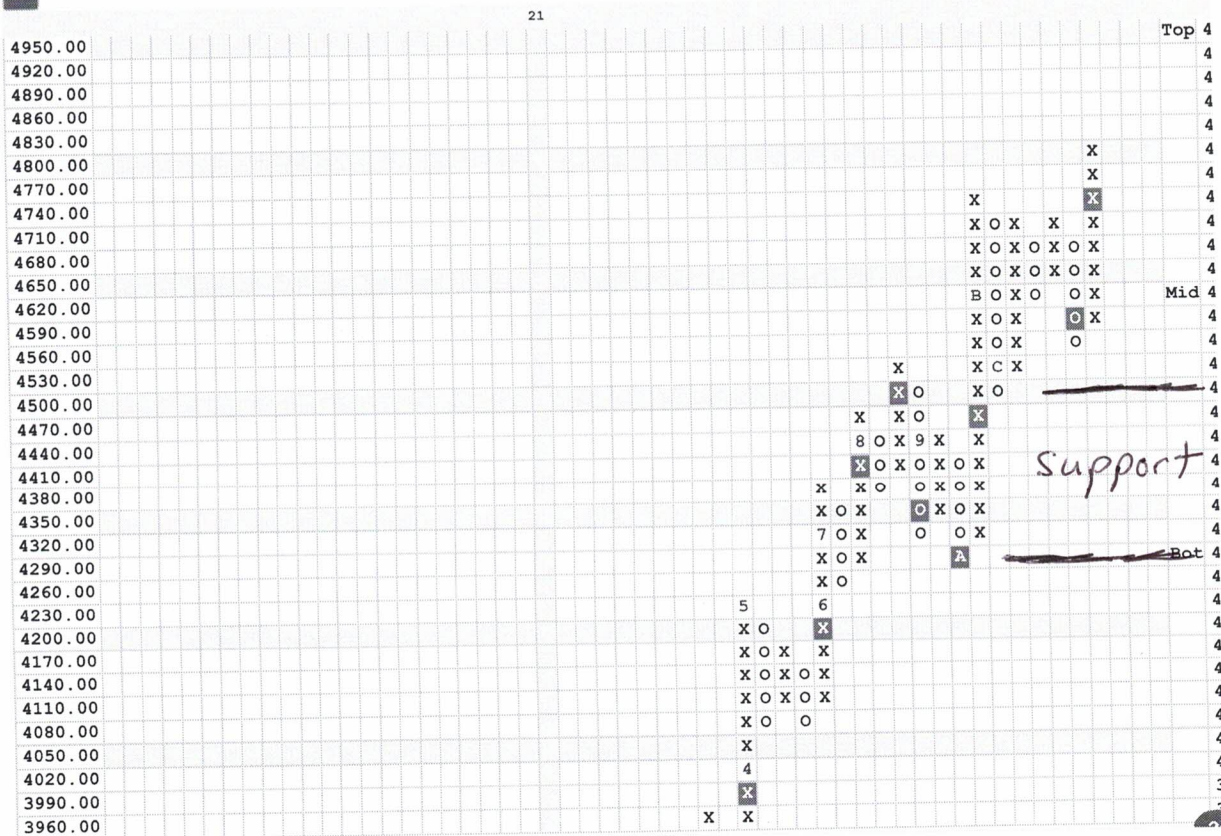
Symbol Chart

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12/29/21 High: \$4,804.06 Low: \$4,778.08 Last: \$4,793.06 Volume: 1,340,154,324 50 day MA: 4,647.21 150 day MA: 4,464.19 200 day MA: 4,374.37 Delayed Quote \$4,807.65 (USD), Change: ↑ \$14.59 (0.30%)

Bullish Price Obj: 5310.000 Bullish Reward to Risk:

1.97

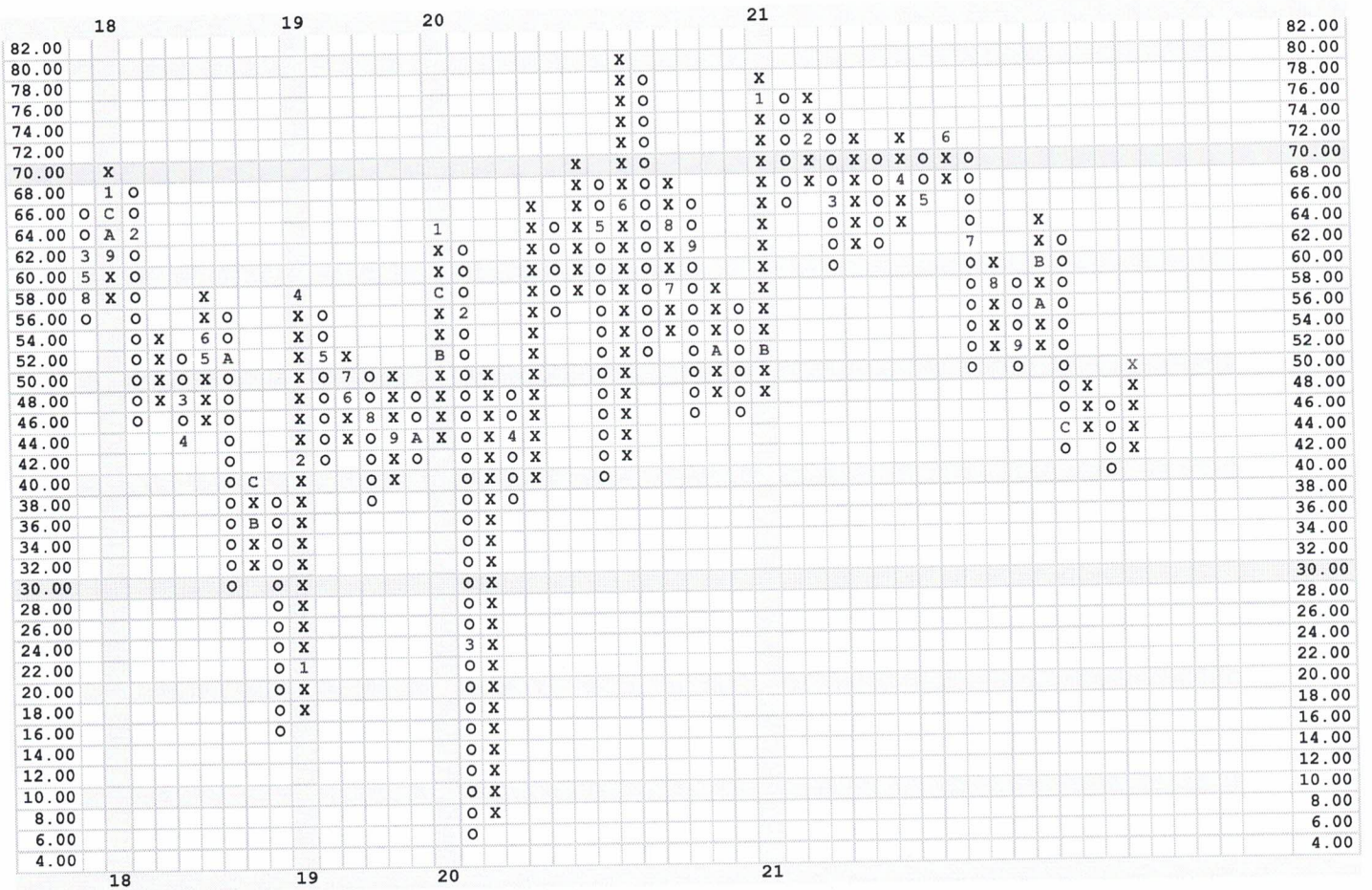


Bullish Pct For NYSE (^BPNYSE)

As of 12/29/21 - 50.67 | Up 0.99 (2%) | YTD (%)

STATUS	OTHER INDICATORS							
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STATUS		PT	RSX	RSP	WD	MO	TW	30
Bull Confirmed on 12/29/21	Signal	B	S	B	B	B	B	S
Chart at 50% reversed up on 12/27/21	Column Level	O	O	O	X	X	X	X
		54	34	42	-4	50	46	48



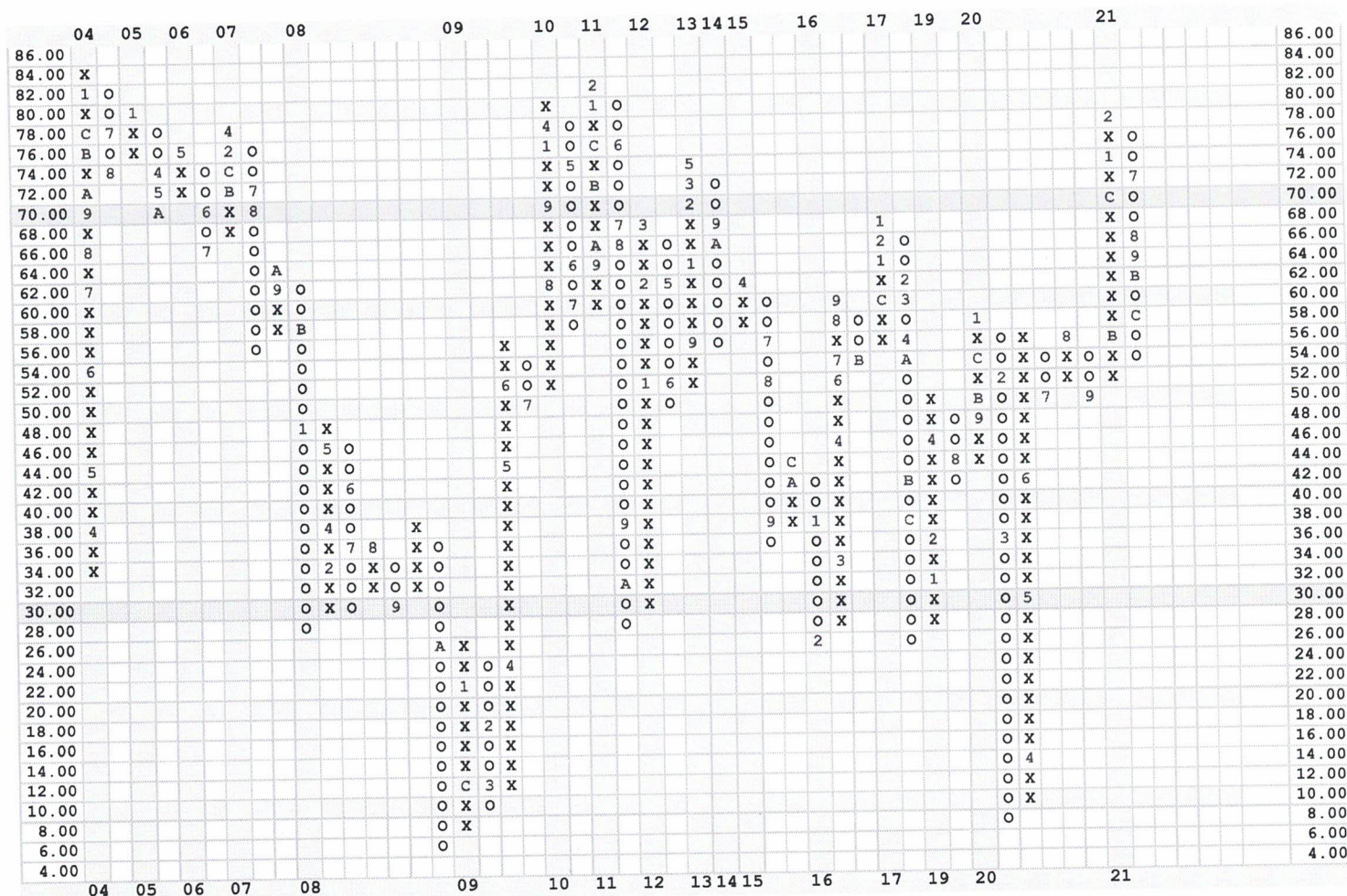
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Pct. Pos. Trend for NYSE (^PTNYSE)

As of 12/29/21 - 55.39 | Up 0.34 (0.63%) | YTD (%)

STATUS	OTHER INDICATORS
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STATUS	BP	RSX	RSP	WD	MO	TW	30
Bear Alert on 7/20/21	Signal B	S	B	B	B	B	S
Chart at 54% reversed down on 7/15/21	Column X	O	O	X	X	X	X
	Level 50	34	42	-4	50	46	48



Equity prices provided by Thomson-Reuters / Cross Rate prices provided by Morningstar / Mutual Fund prices provided by Bloomberg / Delayed prices provided by Thomson-Reuters / Option prices provided by Thomson-Reuters / All quotes displayed are delayed 20 minutes
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MARKETS

S&P 500 posts 70th record close, Dow rises for sixth straight day

PUBLISHED TUE, DEC 28 2021-6:02 PM EST UPDATED WED, DEC 29 2021-4:14 PM EST



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The S&P 500 rose Wednesday, eking out its 70th record close of 2021.

The benchmark index ticked up 0.1% to 4,793.06. The Dow Jones Industrial Average added 90.42 points, or 0.3%, at 36,488.63. The blue-chip average closed at a record for the first time since November and posted its sixth-straight winning day. The Nasdaq Composite bucked the trend and ticked down 0.1% to 15,766.22.

The S&P 500 has closed at a record 28% of the time in 2021. This year has seen the second-highest number of record closes ever, behind 77 closing highs in 1995.

ADVERTISING



Investors are hoping to end the year on a high note with the S&P 500 returning more than 27% in 2021 and the Dow up more than 19%. The two indexes are both within striking distance of their all-time highs.

Historically, the market rises during the “[Santa Claus rally](#)” period — the last five trading days of December and the first two of January.

“The seasonals favor further gains in the market. The trading is a little thinner than it would otherwise be. ... We’re coming off what seems to have been a good holiday season and I think that inspired some confidence,” said Wells Fargo Investment Institute’s Gary Schlossberg.

Biogen surged roughly 9.5% and led the S&P 500 after a [report](#) in South Korean media said the biotechnology company is in talks to be acquired by Samsung. The deal would reportedly be worth more than \$40 billion. Biogen declined to comment on the report.

Walgreens, Nike and Home Depot were the top gainers on the Dow, each rising more than 1%.

On the downside, travel-related stocks struggled. American Airlines pulled back 2.6% and United Airlines fell 1.9%. Carnival and Norwegian Cruise Line both closed lower. Boeing led decliners on the Dow with a 1.2% pullback.

Higher-growth technology stocks dipped as the benchmark [U.S. 10-year Treasury yield](#) [jumped](#) above the 1.5% level. Rising rates discount the value of future earnings and therefore can hit growth stocks like technology names particularly hard. AMD lost 3.2%.

Investors continue to monitor developments with the omicron Covid strain.

The U.S. has confirmed more than 4.5 million Covid cases this month, according to data from Johns Hopkins University. That’s well above November’s tally of 2.54 million. The country’s seven-day average of cases is also at 260,133.29 cases, more



However, the Centers for Disease Control and Prevention this week shortened its isolation recommendation for people who test positive from 10 days to five if they don't have symptoms. Research from South Africa also suggests that omicron infections can boost immunity against the delta variant.

The market has shown resiliency in the past few weeks as traders weigh the omicron variant and potentially tighter monetary policy from the Federal Reserve next year. The S&P 500 is up roughly 5% for December.

Next year should bring normalizing economic conditions and slowing growth, Destination Wealth Management's Michael Yoshikami told CNBC's "Squawk on the Street."

"There's inevitably going to be a return to some sort of normalcy, although I think volatility will continue," Yoshikami said. "Three headwinds — inflation, what's happening with the pandemic, and, in our view, tax policy ... are going to bring things back down to more reasonable levels."

Stock picks and investing trends from CNBC Pro:

Here are Wall Street's favorite picks in the S&P 500 for 2022

The 'Dogs of the Dow' for 2022 could hold some big winners.
Here's the list

JPMorgan, UBS and more think chip stocks can rally further
— and name their top picks for 2022

Goldman: These stocks with high profit margins could rally
more than 70%

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