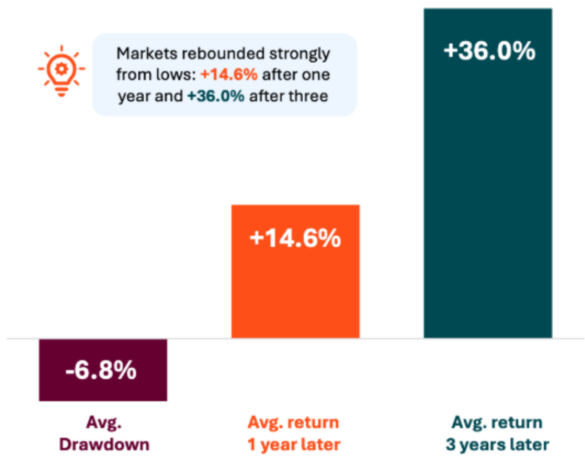
Average S&P 500 drawdowns and returns from market lows around conflicts (1980 – March 2026)



Event:	Max drawdown	1 year later	3 years later
Iran-Iraq (1980)	-4.4%	-6.2%	35.4%
Libya bombing (1986)	-2.6%	23.5%	35.5%
Invasion of Panama (1989)	-8.4%	5.6%	35.9%
Gulf War (1990)	-19.9%	29.1%	56.0%
Kosovo bombing (1998)	-1.4%	23.2%	19.9%
Afghanistan War (2001)	-3.3%	-26.5%	6.2%
Iraq War (2003)	-3.0%	32.8%	52.7%
Crimea annexation (2014)	-1.6%	15.8%	29.6%
Russia - Ukraine (2022)	-15.0%	7.5%	52.9%
Israel - Hamas (2023)	-8.6%	41.1%	-
U.S./Israel–Iran (2026)[1]	-9.1%	-	-

[1]U.S.–Iran max drawdown as of 3/31/26

Geopolitical conflicts have had little long-term market impact

What this chart shows:

The chart on the left shows the average S&P 500 drawdown after geopolitical conflicts since 1980, along with the average one- and three-year returns from the lows. The chart on the right shows each event alongside its maximum drawdown, and subsequent one- and three-year returns from the bottom.

Why it matters:

History shows that markets tend to react quickly to geopolitical shocks. Over time though, it's the strength of the underlying economy, not the headlines, that ultimately determines the direction of markets.

Short-term sell-offs during major conflicts are expected, but markets have bounced back every time. Since 1980, stocks were positive one year after the associated low in 8 of 10 cases and delivered gains three years later in every instance.