

Bull market booms and busts

An analysis of results from 500 major U.S. companies finds one in five report “adjusted” profits 50% or more higher than net income, boosting share values. The current bull market is now in its seventh year

1982-87

Length: 1,839 days

Increase in stock
market value (DJIA*)

UP 250%

*Dow Jones Industrial
Average

Aug 1982-Aug 1987: Dow rises from 776.92 to record high of 2,722.42, fuelled by merger mania

Oct 19, 1987, Black Monday: Crash begins in Hong Kong and spreads as investors panic, selling stock
Share prices plummet: **60%** (New Zealand), **46%** (Hong Kong), **42%** (Australia), **31%** (Spain), **27%** (U.S. and UK) and **23%** (Canada)

1987-2000

4,494 days

Increase in value (NASDAQ[†])

UP 1,072%

[†]Benchmark technology stocks

Apr 1987-Mar 2000: Nasdaq Composite soars more than 1,100%, from 430.90 to peak at 5,048.60, driven by frenzied risk-taking and artificially inflated earnings and valuations during **dot-com boom**

Nasdaq loses **78%** of value as it falls to 1114.11 by 2002

U.S. and EU economies go into recession

2002-07

1,904 days

Increase in value

UP 94%

(DJIA)

Oct 2002- Oct 2007: Dow rises from 7,286.27 to peak at 14,164.53 before losing **54%** of market value following Wall Street's disastrous **subprime credit meltdown**

2009-

2,284 days
(to June 9)

Increase in value

UP 180%

(DJIA)

Mar 2009-Jun 2015: Dow surges from 6,547 to peak of 18,312.39 on May 19, driven by record profits