

Market Update: United States Debt Ceiling

Glenn Dorsey, CFA[®], CAIA[®]



How will the Debt Ceiling Debate impact the Market?

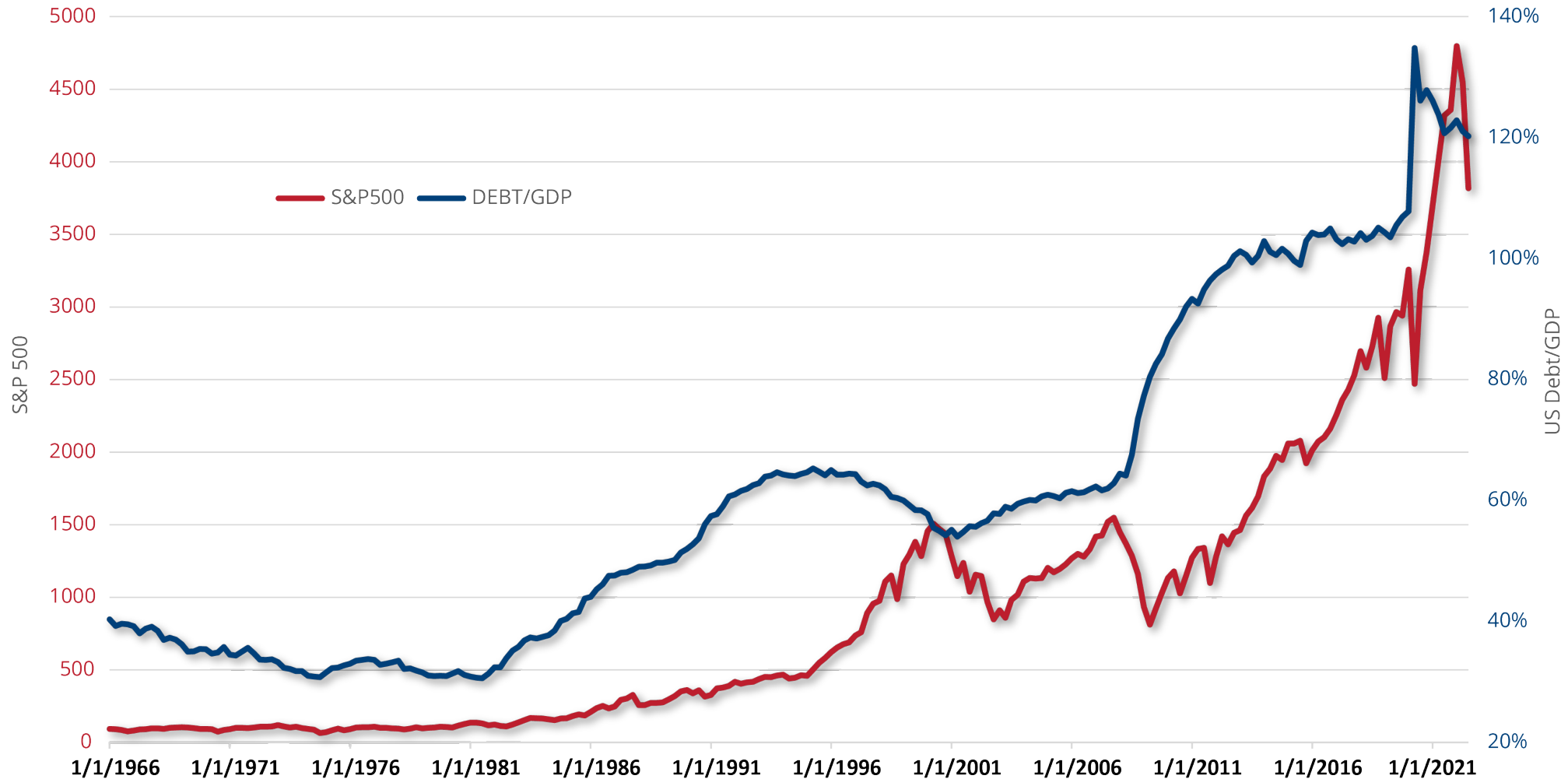
- U.S. Debt/GDP has risen since the 1960s
- So has the S&P 500
- 20 Funding Gap/Govt Shutdowns since 1976
- Minimal impact to Market in prior episodes



US Govt Debt – Only One Piece of the Puzzle

S&P 500 and U.S. Debt/GDP

Quarterly Data 01-01-1966 to 07-01-2022



Source: S&P Dow Jones Indices, FRED, Board of Governors of the Federal Reserve System

For illustrative purposes only. Past performance is not indicative of future results.

Source: S&P Dow Jones Indices, FRED, Board of Governors of the Federal Reserve System



US Funding Gaps/Shutdowns

S&P 500			
Start	End	# of days	Return
9/30/1976	10/11/1976	11	-3.421%
9/30/1977	10/13/1977	13	-3.180%
10/31/1977	11/9/1977	9	0.693%
11/30/1977	12/9/1977	9	-1.244%
9/30/1978	10/18/1978	18	-1.999%
9/30/1979	10/12/1979	12	-4.418%
11/20/1981	11/23/1981	3	-0.090%
9/30/1982	10/2/1982	2	1.287%
12/17/1982	12/21/1982	4	0.815%
11/10/1983	11/14/1983	4	1.320%
9/30/1984	10/3/1984	3	-2.203%
10/3/1984	10/5/1984	2	0.148%
10/16/1986	10/18/1986	2	-0.288%
12/18/1987	12/20/1987	2	0.000%
10/5/1990	10/9/1990	4	-2.055%
11/13/1995	11/19/1995	6	1.312%
12/15/1995	1/6/1996	22	0.060%
9/30/2013	10/17/2013	17	3.069%
1/19/2018	1/22/2018	3	0.807%
12/21/2018	1/25/2019	35	10.268%
Average		9	0.04%

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Source: S&P Dow Jones Indices, history.house.org



Q&A



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