CAPITAL VIEW INVESTMENT GROUP

Advisors with D.A. Davidson & Co. member SIPC

Quarterly Newsletter

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Putting Market Volatility Into Perspective

Over the past several weeks, headlines surrounding rising tensions with Iran and broader instability in the Middle East have understandably led to increased market volatility. When uncertainty rises, markets react quickly. But history gives us important context—and perspective. We've included the table below because it highlights how markets have historically responded to geopolitical events going back more than 50 years.

S&P 500 selloffs around geopolitical events

Event	Start of sell off	Duration of sell off (trading days)	Size of sell-off (%)	Duration to recover to prior level (trading days)
Israel Arab war / oil embargo	10/29/1973	27	-17.3%	1546
Shah of Iran exiled	1/29/1979	8	-4.6%	33
Iranian hostage crisis	10/8/1979	23	-10.2%	49
Soviet invasion of Afghanistan	12/18/1979	11	-3.8%	5
Libya bombing	4/22/1986	19	-4.9%	6
First Gulf War	8/2/1990	50	-16.9%	81
Kosovo bombing	3/19/1999	3	-4.1%	8
9/11 attacks	9/10/2001	5	-11.6%	14
Iraq war	3/24/2003	6	-5.3%	15
Arab spring (Egypt)	1/28/2011	1	-1.8%	2
Ukraine conflict	3/10/2014	5	-2.0%	12
Intervention in Syria	9/19/2014	19	-7.4%	12
Russia/Ukraine War	2/10/2022	18	-9.1%	15
Israel/Hamas War	10/12/2023	12	-5.9%	7
Israel/Iran War	6/13/2025	5	-1.3%	5
Median	**(1973-2025)**	**11**	**-5.3%**	**12**

Source: J.P. Morgan Asset Management

Across events like the Gulf War, 9/11, and the Russia/Ukraine conflict, the pattern has been remarkably consistent: markets tend to sell off modestly in the short term, the median decline is about -5.3%, selloffs typically last around 11 trading days, markets have historically recovered in about 12 trading days on average.

In other words, volatility tends to be sharp—but short-lived.

Every geopolitical event has its own risks. Today, much of the concern centers around energy markets, particularly the potential for oil supply disruptions. That said, research from firms like JPMorgan shows that while these events can create meaningful short-term volatility, they rarely have lasting impacts on globally diversified portfolios. The key distinction is this: temporary shocks (most conflicts) have often led to short-term volatility while structural disruptions (like the 1973 oil embargo) have had a longer-term impact. So far, markets are treating the current situation more like the former than the latter.

Our approach remains consistent. We expect volatility during periods like this. We avoid reacting emotionally to headlines. We stay focused on long-term fundamentals and disciplined allocation. Historically, some of the worst investment decisions happen when short-term uncertainty leads to long-term changes in strategy. Periods like this are not unusual—they are a normal part of investing.

Geopolitical events can feel unsettling in the moment. But history reminds us that markets are resilient, and patience has consistently been rewarded. As always, if you have questions about your portfolio or would like to talk through current market conditions, we're here.

Best Regards, Mark, Brad T., Drew, Brad H., Krupa & Erin

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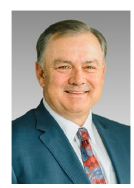

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