



## ARGUS ECONOMIC COMMENTARY

June 16, 2025

### Slow Summer Ahead? Don't Be so Sure

The “lazy hazy crazy days of summer,” according to singer Nat “King” Cole, are the time for soda and pretzels and beer. Summer has not typically been a busy time in the stock market, with little net gain over the “Wall Street summer” timeframe of June through September. When stocks do make a big move in the June-September timeframe, they are slightly more likely to move to the downside than to the upside.

There are always outside events and economic cross-currents that can impact stock performance in the summertime, but the net impact is usually not much. This summer could be different, as the new White House administration has been aggressive in rolling out policies that represent a pivot of 180-degrees from those of the prior administration.

After months of dominating headlines, conversation, and stock-market direction, tariffs are just one topic vying for attention. The flash feud between the President Trump and Elon Musk is showing signs of moderating but could re-erupt at any time. The presence of National Guard troops in Los Angeles in response to anti-ICE demonstrations prompted the Democratic Party leadership to vociferously attack GOP policy for the first time. The “One Big Beautiful Bill” crafted in the House and now working through the Senate has brought deficits into focus and sent bond yields higher. Meanwhile, U.S. and Chinese officials continue to seek a mutually acceptable tariff solution.

None of these events in and of themselves seem to be sufficient to drive early-summer stock trading. But the market response to the new administration and its policies is still formulating, a broad range of tariffs are on schedule to kick in over the next few months, and this summer may not be as calm as past summers.

### The Sleepy Summer Stock Market

For the S&P 500 between 1980 and 2024 (our survey period), the months with the highest capital appreciation have been November, with an average 2.2% gain; April, up 1.59%; and December, up 1.50%. None are in summer. The months with the lowest capital appreciation have been September, down an average 1.01%; August, up 0.03%; and February, up 0.13%. Not far behind is June, with an average 0.32% gain.

For the survey period, three of the four worst months of the year on the S&P 500 fall in the unofficial summertime period of June through September. Small wonder, then, that summer is slack time for stocks.

For all years in our survey period, the S&P 500 has averaged 10.6% capital appreciation. The October-through-December quarter has averaged a 4.8% gain over that span. That leaves about six percentage points of gain to spread across nine months. The first quarter has averaged a 2.5% gain over our survey period, while the second quarter has averaged 2.7%. But we’ve already noted that June is a laggard with an average gain of 0.32%, so most second-quarter appreciation occurs in April and May. The July-September quarter is hands down the worst in the survey period, with a gain of just 0.37%.

That brings us, finally, to performance over the “Wall Street summer” period of June through September. For all years from 1980 through 2024, the S&P 500 has averaged a sparse gain of 1.2% over this four-month span. Since the turn of the millennium (2000 through 2024), the performance has been worse with just a 0.4% gain between June and September.

The market usually rises in this period, just not by much. The S&P 500 has been positive 32 times and negative 14 times

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## ECONOMIC & MARKET COMMENTARY (CONT.)

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over survey-period summers. Some of the down summers have been really bad, such as in 2001 (down 17.3%) and 2022 (down 20.5%); in 2008 (down 16.9%); in 2011 (down 15.6%); and 2022 (down 13.2). As baseball fans will tell you, it's tough to bounce back from a rough summer. For the full year, the S&P 500 was down 13.0% in 2021 and down 23.4% in 2002; down 38.5% in 2008; was unchanged in 2011; and was down 19.4% for all of 2022.

There have also been several good summers along the way. For our survey period, we count 12 years in which the S&P 500 appreciated more than 5% over the June through September period. As baseball fans may also tell you, a good summer can leave a glowing feeling. For all years in which the S&P 500 appreciated 5% or more over the summertime, full-year capital appreciation averaged 19.6%. And we count five summers in which summertime capital appreciation exceeded 10%: 1980, 1997, 2009, 2010, and 2020. Full-year gains for those years were 26% in 1980; 31% in 1997; 23% in 2009; 13% in 2010; and 16% in 2020.

For the S&P 500, May has been a middle-of-the pack month over our survey period. Even though May's 0.94% average gain seems pretty strong, it is just the fifth-best month among 12 over the period. But May can be a harbinger of summer on the stock market. May is down on the index about 30% of the time; when May is down, summers average a 3.2% decline. Conversely, when May is up, as it is about 70% of the time, summertime returns on the S&P 500 average a 3.4% return.

The stock market is coming off of a very strong May, in which the S&P 500 appreciated 6.2%. So how is summertime performance after uncommonly strong Mays in which the index was up at least 5% for the month? Generally, pretty darn good -- but not always. For example, after a 5.4% gain May 1985, summer was down 4.0%; and after a 5.0% gain in May 1986, summer was down 5.6%.

And despite a 9.2% gain in May 1990, summer was down 12.8%!

Most times, plus-5% Mays lead to good summers. Following a 5.9% gain in May 1997, summer was up 12.6% that year. Following a 5.1% gain in May 2003, summer was up 5.7%. And after a 5.3% gain in May 2009, the summer S&P 500 surged 15.0%. May 2020 just missed the cutoff with a 4.5% gain; the index rose 10.5% in summer 2020.

### Conclusion

Calendar-based performance is not much of a forward indicator. You compile this kind of performance by looking back over multiple years and even decades; but stock markets and investors don't like to look backwards. And every year holds its own set of geopolitical and macroeconomic challenges.

It is also hard to get excited about the May 2025 single-month rally as a harbinger of a strong year when you consider that as of 5/31/25, the S&P 500 was up only 0.5% for the 2025 year-to-date. For all years in our survey period of 1980 through 2024, the S&P 500 had appreciated an average 5.5% by the end of May.

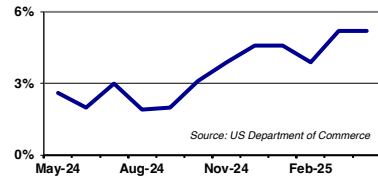
Still, it is better to see the market back above breakeven at the five-month mark than where it was in early April 2025, when the S&P 500 was on a brink of a bear market. June has so far extended May's strength, giving the index a little breathing space (up 4% YTD) as of June 9, 2025.

An above-consensus May jobs report and the wind-down of a better-than-anticipated first-quarter earnings season have put a little wind in the market's sails. If the stock market can hold or build on its year-to-date gain across the usually slack summer months, it could be well-positioned for the all-important fourth-quarter stock season. But we're getting ahead of ourselves, as we have not yet had a pretzel, a soda, or cracked the first summertime beer.

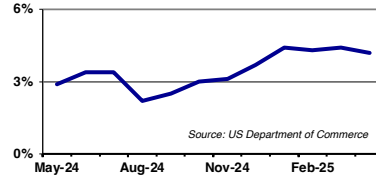
Jim Kelleher, CFA,  
Director of Research

# ECONOMIC TRADING CALENDAR

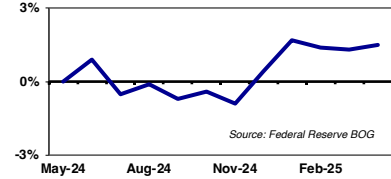
Release: **Retail Sales**  
 Date: 6/17/2025  
 Month: May  
 Previous Report: 5.2%  
 Argus Estimate: 4.4%  
 Street Estimate: NA



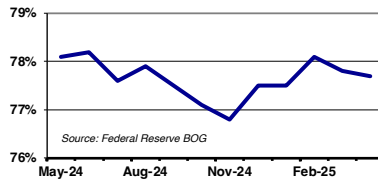
Release: **Retail Sales ex-autos**  
 Date: 6/17/2025  
 Month: May  
 Previous Report: 4.2%  
 Argus Estimate: 3.9%  
 Street Estimate: NA



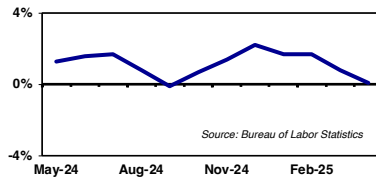
Release: **Industrial Production**  
 Date: 6/17/2025  
 Month: April  
 Previous Report: 1.5%  
 Argus Estimate: 0.5%  
 Street Estimate: NA



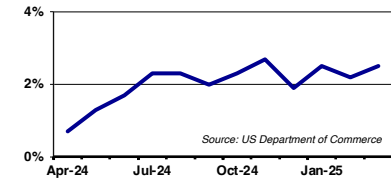
Release: **Capacity Utilization**  
 Date: 6/17/2025  
 Month: April  
 Previous Report: 77.7%  
 Argus Estimate: 77.7%  
 Street Estimate: 77.7%



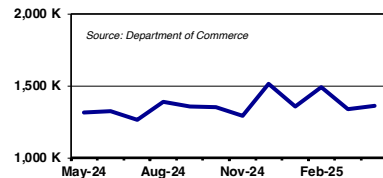
Release: **Import Price Index**  
 Date: 6/17/2025  
 Month: May  
 Previous Report: 0.1%  
 Argus Estimate: 0.5%  
 Street Estimate: NA



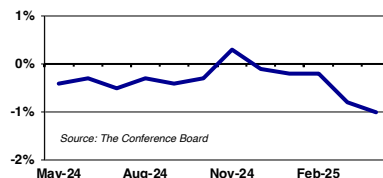
Release: **Business Inventories**  
 Date: 6/17/2025  
 Month: April  
 Previous Report: 2.5%  
 Argus Estimate: 2.2%  
 Street Estimate: NA



Release: **Housing Starts**  
 Date: 6/18/2025  
 Month: May  
 Previous Report: 1,361 K  
 Argus Estimate: 1,300 K  
 Street Estimate: 1,355 K



Release: **Leading Index**  
 Date: 6/20/2025  
 Month: May  
 Previous Report: -1.0%  
 Argus Estimate: 0.5%  
 Street Estimate: NA



*Previous Week's Releases and Next Week's Releases on next page.*

## ECONOMIC TRADING CALENDAR (CONT.)

### Previous Week's Releases

Date	Release	Month	Previous Report	Argus Estimate	Street Estimate	Actual
9-Jun	Wholesale Inventories	April	2.2%	2.0%	NA	2.3%
11-Jun	Consumer Price Index	May	2.3%	2.4%	2.5%	NA
	CPI ex-Food & Energy	May	2.8%	2.9%	3.0%	NA
12-Jun	PPI Final Demand	May	2.4%	2.7%	2.6%	NA
	PPI ex-Food & Energy	May	3.1%	3.3%	3.1%	NA
13-Jun	U. Michigan Sentiment	June	52.2	54.0	53.5	NA

### Next Week's Releases

Date	Release	Month	Previous Report	Argus Estimate	Street Estimate	Actual
23-Jun	Existing Home Sales	May	4.00 Mln.	NA	NA	NA
24-Jun	Consumer Confidence	June	98.0	NA	NA	NA
25-Jun	New Home Sales	May	743K	NA	NA	NA
26-Jun	GDP Annualized QoQ	1Q "3rd est."	-0.2%	NA	NA	NA
	GDP Price Index	1Q "3rd est."	3.7%	NA	NA	NA
	Durable Goods Orders	May	2.6%	NA	NA	NA
27-Jun	PCE Deflator	May	2.1%	NA	NA	NA
	PCE Core Deflator	May	2.5%	NA	NA	NA
	Personal Income	May	5.5%	NA	NA	NA
	Personal Spending	May	5.4%	NA	NA	NA

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