

"That's it I'm out

1926	Joseph Stalin ruled as dictator of USSR	1967	Newark race riots
1927	German economy collapsed	1968	USS Pueblo seized – “market too high”
1928	“Roaring 20s” pushed stock market to new highs	1969	Money tightens, market falls
1929	“Black Tuesday” – stock market crashed	1970	Conflict spreads to Cambodia
1930	Hawley-Smoot Tariff Act	1971	Wage & price freeze
1931	Unemployment rate soared; U.S. banks collapsed	1972	Largest trade deficit in U.S. history
1932	Dow hit Depression-era low	1973	Energy crisis
1933	Hitler named German chancellor	1974	Steepest market drop in 40 years
1934	Great Depression	1975	Clouded economic prospects
1935	Economy still struggling	1976	Economy slowly recovers
1936	Spanish Civil War	1977	Market slumps
1937	Recession	1978	Interest rates rise
1938	Hitler annexed Austria	1979	Oil skyrockets, 10%+ unemployment
1939	World War II began	1980	Interest rates hit all-time high
1940	France falls	1981	Deep recession begins, Reagan shot
1941	Pearl Harbour	1982	Worst recession in 40 years, debt crisis
1942	War-time price controls	1983	Market hits record – “market too high”
1943	Industry mobilizes	1984	Record U.S. federal deficits
1944	Consumer goods shortage	1985	Economic growth slows
1945	Post-war recession predicted	1986	Dow nears 2000 – “market too high”
1946	Dow tops 200- “market too high”	1987	The Crash – Black Monday
1947	Cold War begins	1988	Fear of recession
1948	Berlin Blockade	1989	Junk bond collapse
1949	USSR explodes atomic bomb	1990	Gulf War, worst market decline in 16 yrs.
1950	Korean War	1991	Recession, “market too high”
1951	Excess income and profits tax	1992	Elections, market flat
1952	U.S. seizes steel mills	1993	Businesses continue restructuring
1953	USSR explodes hydrogen bomb	1994	Mexican Peso collapsed
1954	Dow tops 300- “market too high”	1995	Oklahoma City bombing
1955	Eisenhower has heart attack	1996	Fear of inflation
1956	Suez Canal crisis	1997	“Irrational Exuberance”
1957	USSR launches Sputnik satellite	1998	Asia Crisis
1958	Recession	1999	Y2K
1959	Castro takes over Cuba	2000	Dot-com bubble burst
1960	USSR downs U-2 spy plane	2001	Recession, World Trade Center/Pentagon attack
1961	Berlin Wall erected	2002	Corporate Accounting Scandals
1962	Cuban Missile Crisis	2003	War in Iraq
1963	JFK assassinated	2004	U.S. has massive trade and budget deficits
1964	Gulf of Tonkin incident	2005	Record oil & gas prices
1965	Civil Rights marches	2006	Housing bubble bursts
1966	Vietnam War escalates	2007	Sub-prime mortgage crisis

Data Sources: www.historychannel.com and Standard & Poor's 500

Year after year, reasons to avoid the stock market pile up in investors' minds.

Yet throughout the years the S&P 500 Index had an annual compounded return of 10.35%
A hypothetical \$10,000 investment made on 1/1/1926 would have been worth \$32,158,897 on 12/31/2007

Stay the course !



BMO Nesbitt Burns Inc. and BMO Nesbitt Burns Ltée provide this commentary to clients for informational purposes only. The information contained herein is based on sources that we believe to be reliable, but is not guaranteed by us, may be incomplete or may change without notice. The comments included in this document are general in nature, and professional advice regarding an individual's particular position should be obtained.

BMO Nesbitt Burns Inc. and BMO Nesbitt Burns Ltée are wholly-owned subsidiaries of Bank of Montreal and Member CIPP.

“BMO (M-bar Roundel symbol)” is a registered trademark of Bank of Montreal, used under licence. “Nesbitt Burns” is a registered trademark of BMO Nesbitt Burns Corporation Limited, used under licence.