

The Evolution of “Sell in May”

04May12

(<http://marketsci.files.wordpress.com/2012/05/20120504-01.gif>) One last bit of follow up to my [previous post](#) (<http://marketsci.wordpress.com/2012/05/03/sell-in-may-debunked/>) questioning the “sell in May” rule.

In the table to the right (click to zoom) I show how the stock market’s best 6 months of the year has evolved over the last 80+ years. Each row represents 20 years. Red cells denote the “best” 6 months.

Recall that the “sell in May” rule is based on November through April being the best half of the year.

Given the results in my [previous post](#) (<http://marketsci.wordpress.com/2012/05/03/sell-in-may-debunked/>), I was surprised by how consistently Nov – Apr (or at least Dec – May) was the best performing period.

Happy Trading,
ms

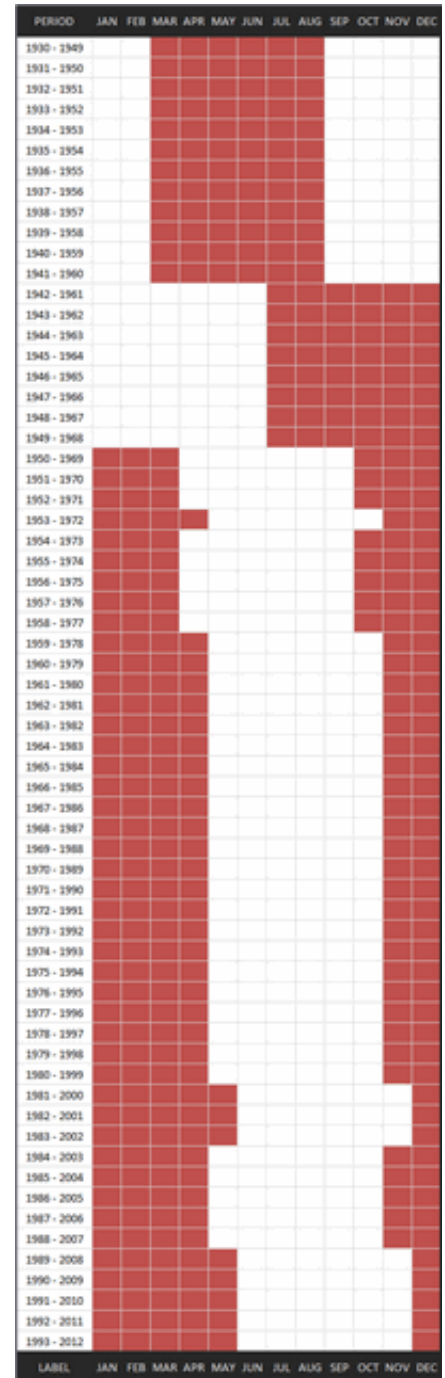
Geek note: the “best” 6 month period was chosen based on volatility-adjusted (not absolute) dividend-adjusted returns.

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