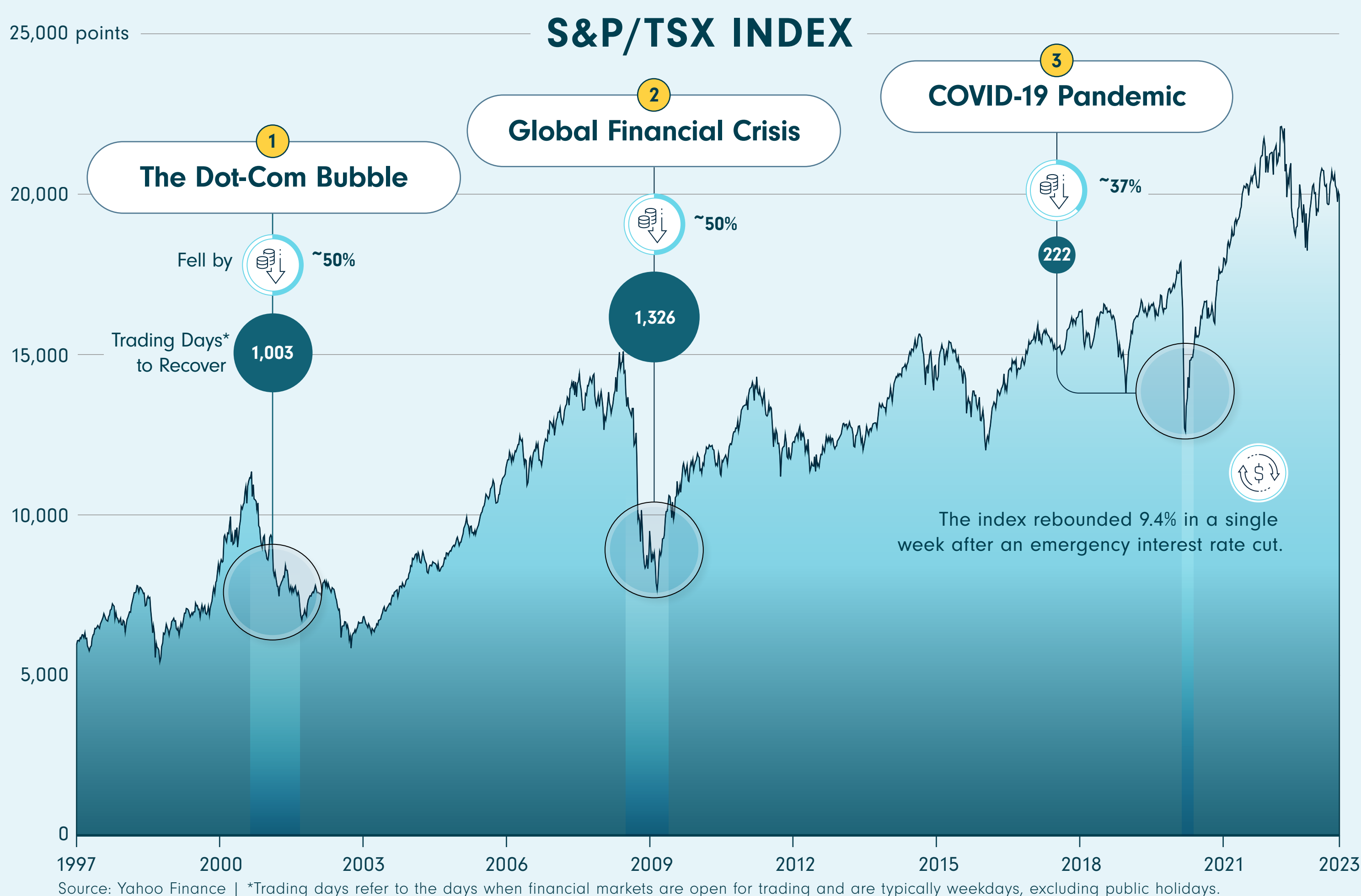


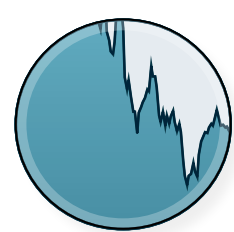
# Winning the Marathon Lessons from Past Recessions



Since 2000, the S&P/TSX Composite Index has experienced three major downturns. Here's what happened in each one.



## 1



### The Dot-Com Bubble • Sept 2000 - Oct 2002

The new millennium started with internet technology redefining businesses. Here is what followed.



#### Build-up

Hype around internet-based companies led to excessive valuations.



#### Crash

As reality set in, there was a rapid shift in investor sentiment and a drying up of capital.



#### Recovery

A stream of new digital technologies fueled long-term growth, and a new bull market would begin.

## 2



### Global Financial Crisis • June 2008 - March 2009

Years of strong economic growth were in fact hiding an undercurrent of precarious mortgage lending practices in the U.S.



#### Build-up

Weak mortgage standards coupled with low-interest rates resulted in soaring home prices.



#### Crash

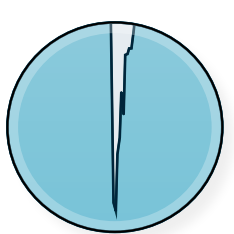
Mass defaults on subprime mortgages caused major losses to financial institutions and triggered a global crisis.



#### Recovery

A rebound in global commodity prices like oil benefitted Canada as a major exporter. By 2010, the TSX had significantly recovered.

## 3



### COVID-19 Pandemic • February - March 2020

The COVID-19 market crash in early 2020 led to the shortest recession on record for the TSX Composite Index due to strong central bank responses.



#### Build-up

Like many other markets, the TSX Composite was still rising in the months leading up to the pandemic.



#### Crash

The declaration of a state of emergency triggered the TSX's steepest one-day drop since 1940.



#### Recovery

Thanks to economic stimulus and the eventual development of a vaccine, the TSX made a full recovery in less than a year.

The Canadian stock market has weathered three major recessions since 2000, each with unique triggers but all leading to recoveries.

This highlights the importance of sticking to a long-term investment plan, rather than making rash or emotional decisions.

Stay on course with Fidelity's volatility guide.



Download the guide now



Sources: Finbold, The Canadian Encyclopedia, Yahoo Finance, Export Development Canada, Advisor's Edge, Bank of Canada

The recovery time can vary for different market indices and individual stocks, and it depends on various factors such as the severity of the initial decline, economic conditions, and investor sentiment. Although there are no quantitative means to define all factors that impact the stock market at a given time, dominant factors can be studied and analyzed.

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