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The Stock Market Dropped Because There's Something Scari

By Al Root [Follow](#) Updated Feb. 11, 2022 11:59 pm ET / Original Feb. 11, 2022 8:54 pm ET

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The S&P 500 dropped 1.9% Friday, closing at 4419, leaving it down 1.8% for the week. Most of that decline happened in the final two hours and 35 minutes of trading. The Dow Jones Industrial Average [DJIA -1.43% ▼](#) lost more than 500 points, or 1.4%, Friday, closing down 1% for the week. And the Nasdaq Composite [COMP -2.78% ▼](#) dropped 2.8% Friday, finishing the week down 2.2%.

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Investors can't blame rising prices for Friday's plunge. Markets were poised to end the week higher, despite a hotter-than-hoped-for [inflation reading](#) on Thursday.

Escalating geopolitical tension was the first problem Friday. Both the United Kingdom and the U.S. suggested that [Russia could soon invade Ukraine](#) and advised their citizens to leave the country.

Geopolitical tension isn't good, but it doesn't have to do permanent damage to the stock market. The peak-to-trough move in the S&P 500 when Russia annexed Crimea back in 2014 was about 2%, yet the S&P 500 rose 11% for all of 2014. Still, the news injected a rush of uncertainty into the market. And investors really hate uncertainty.