

The Stock Market Had a Great Week. It Still Hasn't Gone Anywhere in a Month.

By [Nicholas Jasinski](#) [Follow](#) Oct. 21, 2022 8:22 pm ET

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The path to those gains was anything but smooth. The S&P 500 started the week with a 2.7% surge on Monday, its third-straight daily move—up or down—of at least 2.4%, and its sixth this month. The index built on its gains on Tuesday, then slid for two days.

On Friday, it surged another 2.4%. For all the fuss, the S&P 500 is trading exactly where it was a month ago. What's more, the Cboe Volatility Index **VIX -0.97% ▼**, or VIX, has

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Source: FactSet

Equity investors, meanwhile, remain focused on the short-term potential for a market bottom. After a 21% year-to-date decline in the S&P 500 and a 31% drop in the Nasdaq, stocks are probably closer to that point—but it's possible to violently bounce along the trough for some time as well.

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Stocks are certainly cheaper than they were at the start of the year, when the S&P 500 traded at 21 times forward earnings. It has since seen its multiple contract to less than 16 times. But relative to bonds, equities are more expensive than at the start of the year. The equity-risk premium—stocks' earnings yields minus Treasury yields—is around 3.5% today. It was 4% in January and nearly 7% during the 2007-09 financial crisis.