

Finance & economics | Buttonwood

Investors beware: summer madness is here

This year's hottest months are shaping up to be especially wild

Aug 1st 2024

Save

Share

Give

Listen to this story. Enjoy more audio and podcasts on [iOS](#) or [Android](#).



SO MUCH OF finance is automated these days you can forget quite how strongly markets echo human rhythms. Yet stock exchanges still ring their opening and closing bells at either end of the working day designed a

not just daily routines that matter—seasonal ones do, too. Spare a thought, then, for the 20-somethings left to run the northern hemisphere's trading desks over the next few weeks, while their bosses doze on a beach.

Possibly for this reason, markets are often more jittery than usual during the summer months. Last year, for example, it was in August that American share prices began their final protracted fall before a storming bull run that took them to new all-time highs. That may be down to liquidity, which, with many investors also off reclining in the sun, tends to be slightly thinner during the holiday season than in the rest of the year. It may also be that the lack of veterans on banks' trading floors allows panic to set in more easily. Prices can swing a lot further before someone musters the courage to push back.