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How the Stock Market Went From Complacency to Violent Volatility and Back Again

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The [Wall Street freakout](#) of Aug. 5 seems like [a distant memory](#). The [S&P 500 index](#) ↓ [SPX -0.09%](#) is up 3.7% this week, on track for its best week of the year, while the [Nasdaq Composite](#) ↓ [COMP -0.08%](#) is rising 5.1% and the [Dow Jones Industrial Average](#) ↓ [DJIA -0.06%](#) is advancing 2.7%.

Investors seem to have come to the realization that while the economy may be in fact slowing, the Federal Reserve is going to take action to address that [by cutting interest rates](#) on Sept. 18. Traders should get more evidence about the central bank's intentions when Fed Chair Jerome Powell gives a speech to kick off the Kansas City Fed's annual Economic Policy Symposium event in Jackson Hole, Wyo., on Aug. 23. But with a September rate cut a near certainty, the mood in the market has turned on a dime.