

Seeking Alpha α

GE Down 10 Days in a Row

Earnings Call Excerpt

Two days ago we [noted](#) that General Electric (GE) had been down eight trading days in a row. After two more days of losses, GE has now crossed into double-digit territory. GE is currently tied for the longest losing streak in the Russell 1,000 along with [\[\[CNW\]\]](#), [\[\[GHL\]\]](#), and [\[\[ISIL\]\]](#).

Since 1980, GE has only had one other losing streak of ten days or more. Way back in August 1985, GE actually went down for eleven straight days before finally registering an up day. Since it's one of the most widely held stocks in the world, both by portfolio managers and General Electric employees, there's no doubt that quite a few people are heading home wondering what it's going to take to see some green next to GE.

The S&P 500 is also on a four-day losing streak of its own. Below we highlight the prior four-day losing streaks since the last bear market began in October 2007. As shown, the index has averaged a decline of -0.03% on day five with gains 5 out of 9 times. Since 1927, the average change on day five has been -0.01% (compared to a gain of 0.03% for all days since 1927). Over the next week, however, returns get significantly better. Since 10/07, the S&P has averaged a gain of 0.74% in the week after a four-day losing streak. Since 1927, the index has averaged a gain of 0.31% over the next week.

S&P 500 4-Day Losing Streaks Since 10/9/07

Date	Losing Streak	Next Day %	Next Week %
11/12/2007	4	2.91	-0.41
1/18/2008	4	-1.11	2.17
9/4/2008	4	0.44	0.99
10/6/2008	4	-5.74	-5.07
2/19/2009	4	-1.14	-3.35
3/2/2009	4	-0.64	-3.47
5/22/2009	4	2.63	6.30
9/2/2009	4	0.85	4.97
10/2/2009	4	1.49	4.51
10/28/2009	4	?	?
	Average	-0.03	0.74
	Avg Since 1927	-0.01	0.31

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