Military Conflicts May Rattle Markets, But Not for Long

Staying invested despite geopolitical events can pay off in the long run.

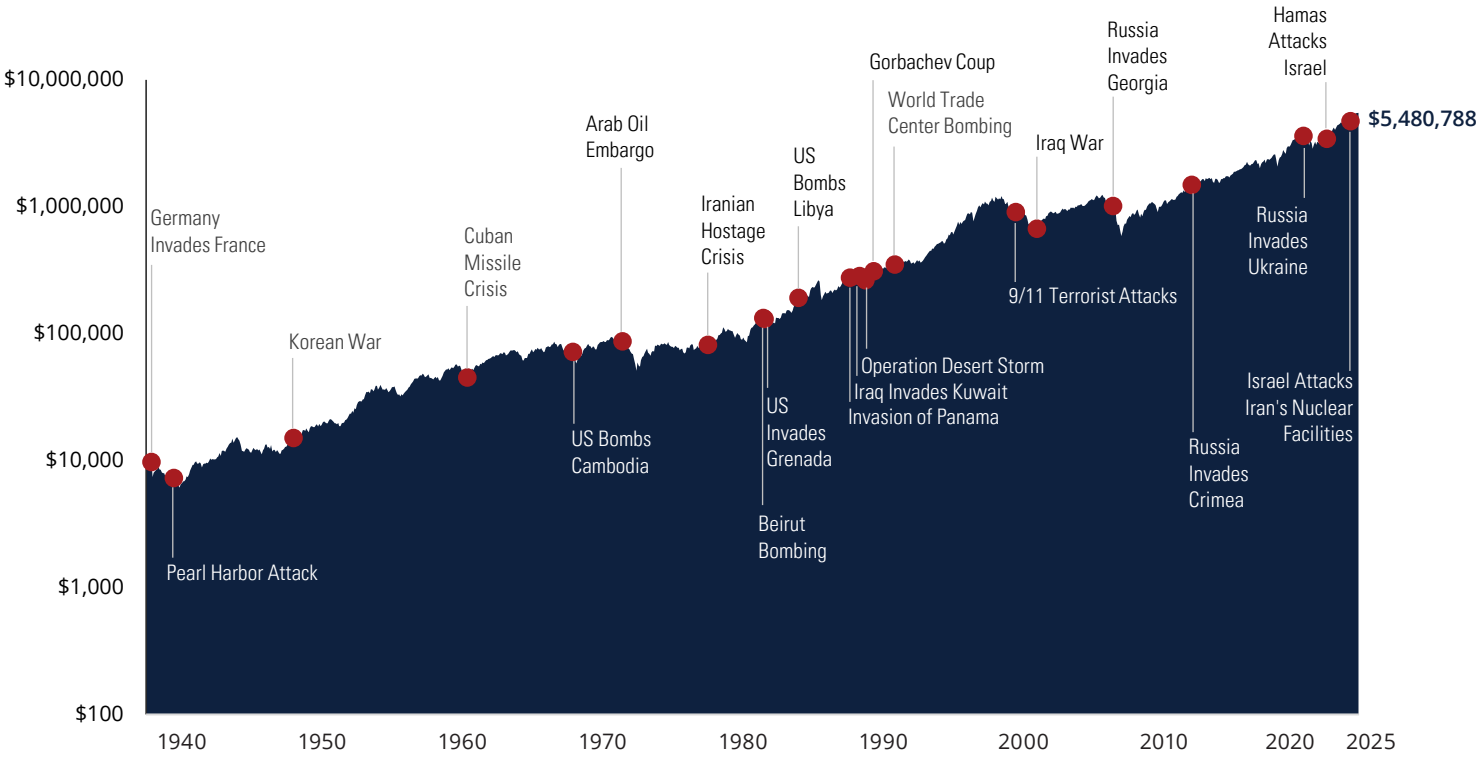
Geopolitical uncertainty can cause short-term market volatility, but the stock market has been resilient. In fact, stocks generated positive performance one year after an act of aggression for 73% of the armed conflicts since World War II. The longer the investment time frame, the more likely a positive return.

Geopolitical/Military Events	S&P 500 Index Price Return (%)				
Event (Start Date)	3 Months Later	Annualized			
		1 Year Later	3 Years Later	5 Years Later	10 Years Later
Germany Invades France (May 1940)	-15.3	-22.0	-0.9	4.1	4.2
Pearl Harbor (December 1941)	-12.4	0.4	11.7	9.5	9.6
Korean War (June 1950)	1.5	11.2	8.1	16.4	11.7
Cuban Missile Crisis (October 1962)	17.4	32.0	18.3	11.4	7.0
U.S. Bombs Cambodia (April 1970)	-4.6	27.1	9.4	0.9	2.6
Arab Oil Embargo (October 1973)	-13.2	-36.2	-2.9	-1.4	4.4
Iranian Hostage Crisis (November 1979)	11.6	25.9	11.4	10.3	12.7
U.S.S.R. Invades Afghanistan (December 1979)	-8.8	26.2	9.1	9.0	12.4
Beirut Bombing (October 1983)	-0.7	0.7	13.0	11.3	10.8
U.S. Invades Grenada (October 1983)	-1.1	0.7	12.8	11.2	10.8
U.S. Bombs Libya (April 1986)	-0.5	19.9	8.3	9.9	10.5
Invasion of Panama (December 1989)	-2.9	-6.9	7.5	5.6	15.0
Iraq Invades Kuwait (August 1990)	-10.5	10.2	8.6	9.7	15.1
Operation Desert Storm (January 1991)	21.5	32.3	14.5	14.0	15.4
Gorbachev Coup (August 1991)	-1.8	9.3	6.3	11.5	11.9
World Trade Center Bombing (February 1993)	1.5	5.4	13.7	18.7	6.5
WTC and Pentagon Terrorist Attacks (September 2001)	2.5	-16.7	0.9	3.5	0.6
Iraq War (March 2003)	15.6	27.0	14.3	8.2	5.9
Russia Invades Georgia (August 2008)	-34.3	-22.3	-4.7	5.5	8.1
Russia Invades Crimea (March 2014)	3.9	10.7	8.0	7.9	10.6
Russia Invades Ukraine (February 2022)	-13.0	-11.0	9.5		
Hamas Attacks Israel (October 2023)	9.7	33.6			
Israel Attacks Iran's Nuclear Facilities (June 2025)	8.9				
US and Israel Attack Iran (February 2026)	???				
Median	-0.7	9.7	9.1	9.6	10.5
% Positive	43%	73%	86%	95%	100%

Past performance does not guarantee future results. Indices are unmanaged and not available for direct investment. Data shown is for the S&P 500 Price Index, a market capitalization-weighted price index composed of 500 widely held common stocks, and does not include the reinvestment of dividend payments. Data Sources: Morningstar, Ned Davis Research, and Hartford Funds, 3/26.

Geopolitical Conflicts Have Had Minimal Impact on Long-Term Equity Performance

Growth of $10,000 in the S&P 500 Price Index (1940–2025)



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Your financial professional can help you put geopolitical events in perspective.

Important Risks: Investing involves risk, including the possible loss of principal.

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