

# The Type of Bear Market Matters

As we enter into a bear market for the first time in over 10 years at the hands of the COVID-19 outbreak, many investors are wondering what lies ahead.

History tells us that not all bear markets are created equal, and the trigger of the market sell-off can tell us a lot about what to expect. In the past, event-driven bear markets, similar to what we are in now, don't last as long as structural bear markets.

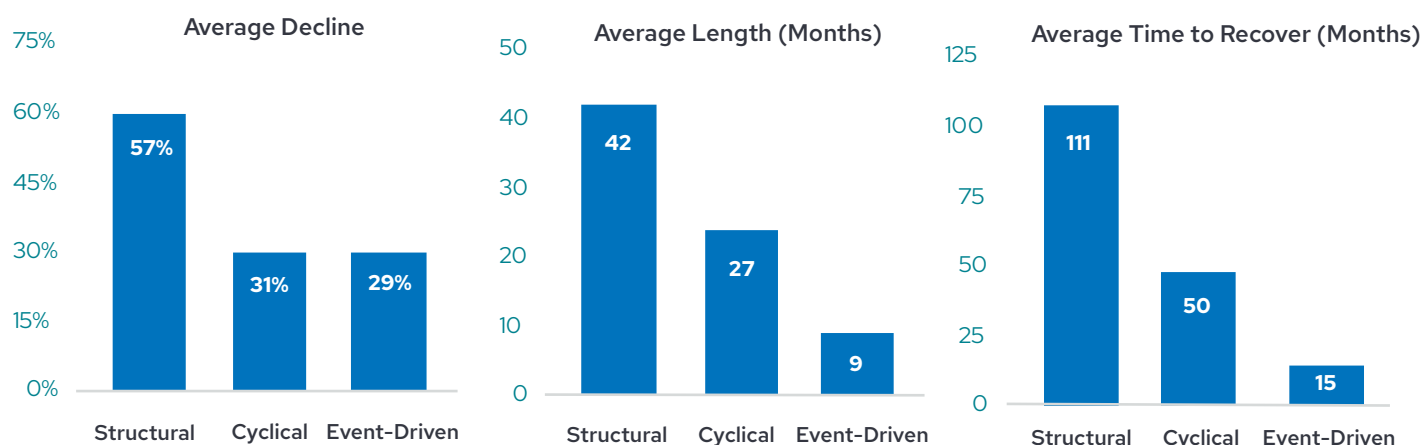
## Types of Bear Markets & Their Triggers

**Structural:** The result of a market player causing a systemic problem, such as over-leveraged banks or consumers.

**Cyclical:** A natural slowdown in economic activity after a period of growing production and profits.

**Event-Driven:** An unpredictable shock to the markets, such as a natural disaster or health crisis.

### EVENT-DRIVEN BEAR MARKETS TEND TO RECOVER FASTEST



Source: Goldman Sachs Global Investment Research.

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