

Trendlines Beat Headlines

Trending Report

Data Ending: 2023.09.22

9-Facts to Help Understand U.S. Government Shutdowns

Make Complexity Simple...
Make Possible Predictable



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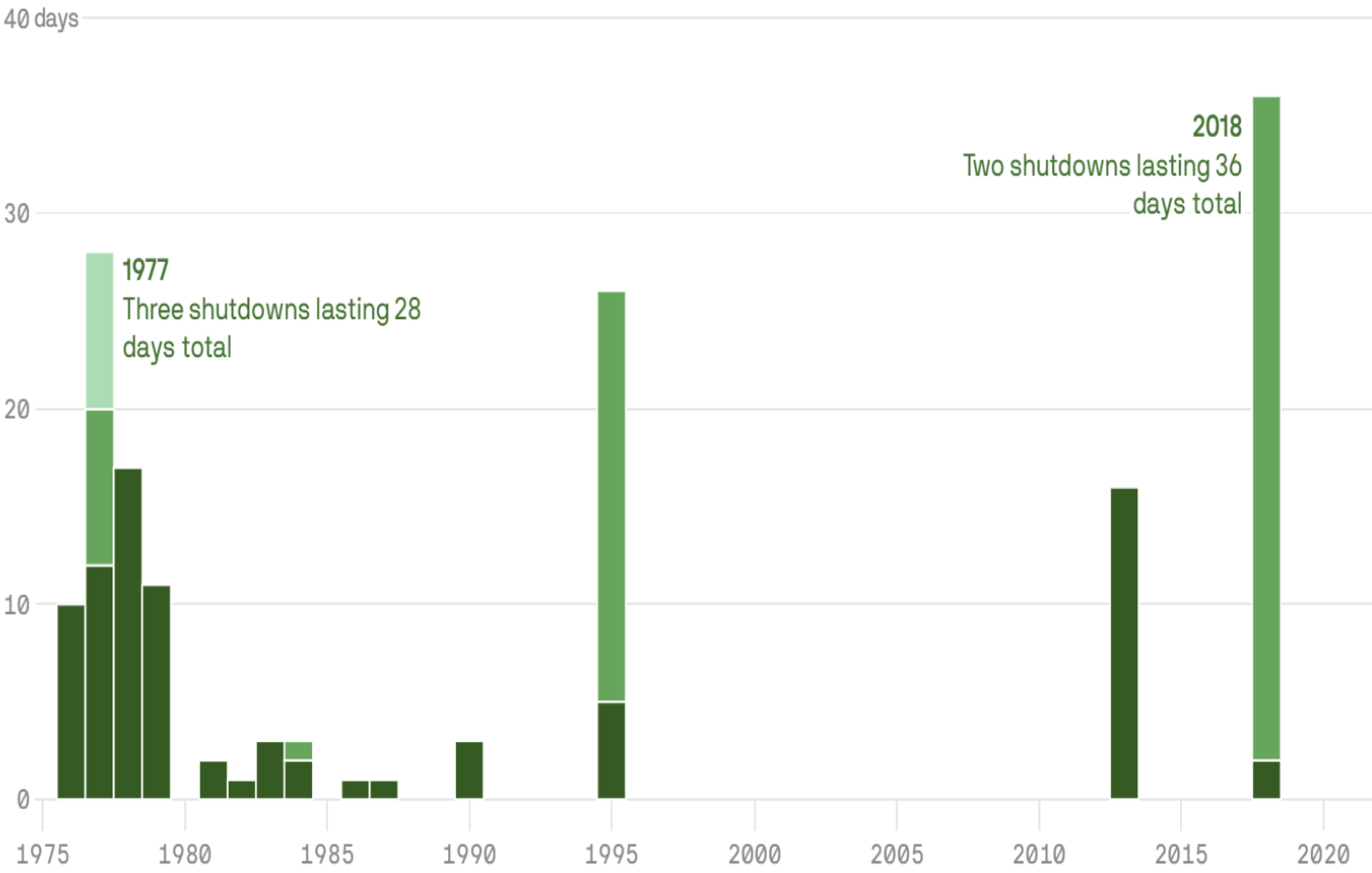


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Length of U.S. government shutdowns

Annually, 1976-2023

■ First shutdown that year ■ Second ■ Third



Data: [U.S. House of Representatives](#); Note: Shutdowns are attributed to the year in which they started; Chart: Erin Davis/Axios Visuals

9-Facts to Help Understand U.S. Government Shutdowns

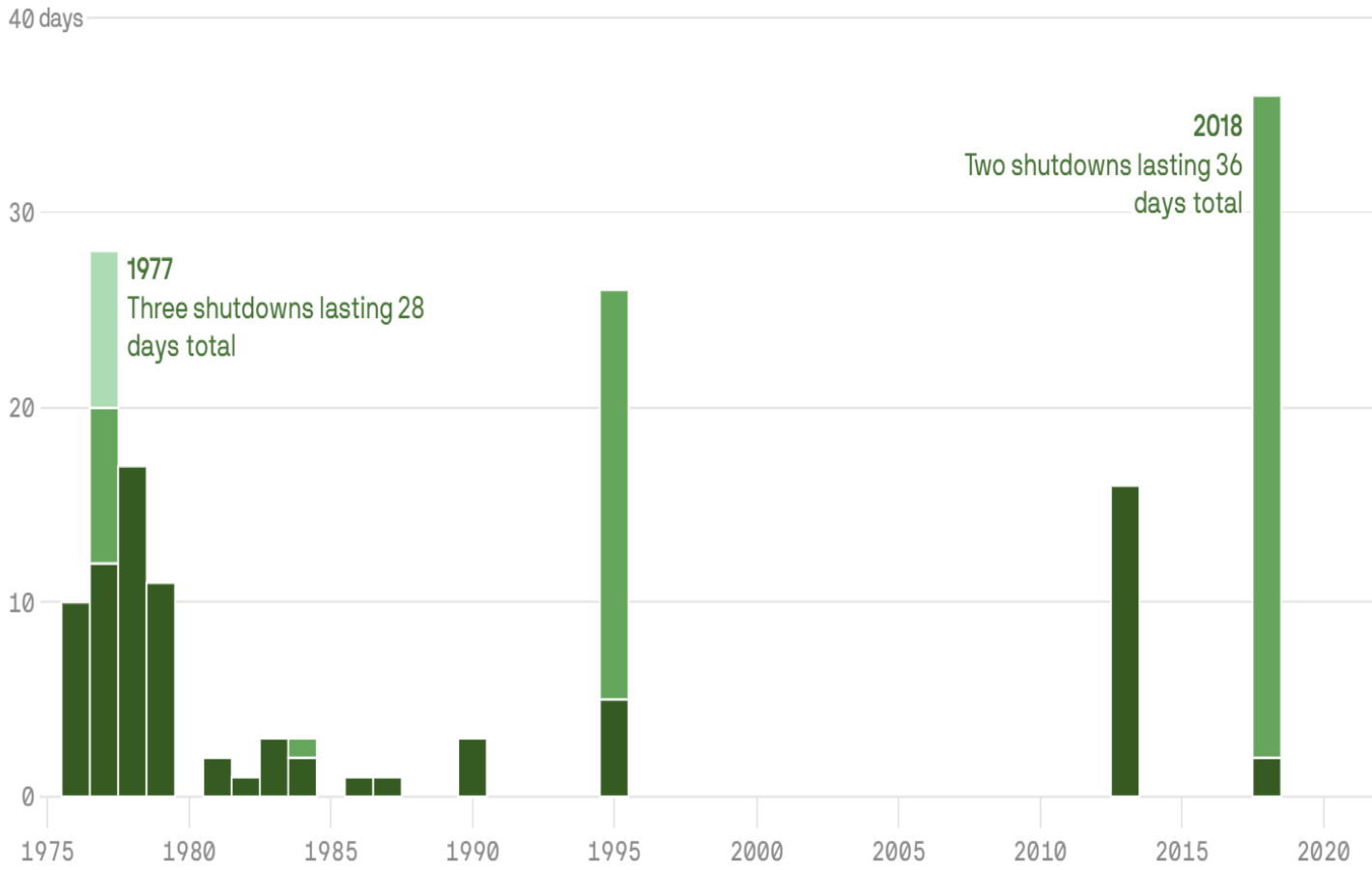
1. The U.S. is on the verge of a 22nd government shutdown in five decades, with Congress facing a Sept. 30 deadline to pass appropriations bills to fund the government.
2. Under a government shutdown, non-essential federal functions are suspended. All employees, both essential and non-essential, are not paid during the shutdown. Their paychecks catch up when operations resume.
3. In 1980 and 1981, U.S. Attorney General Benjamin Civiletti established the basis for government shutdowns still in use today.

September 24, 2023, Axios, "The history of government shutdowns and how long they last".

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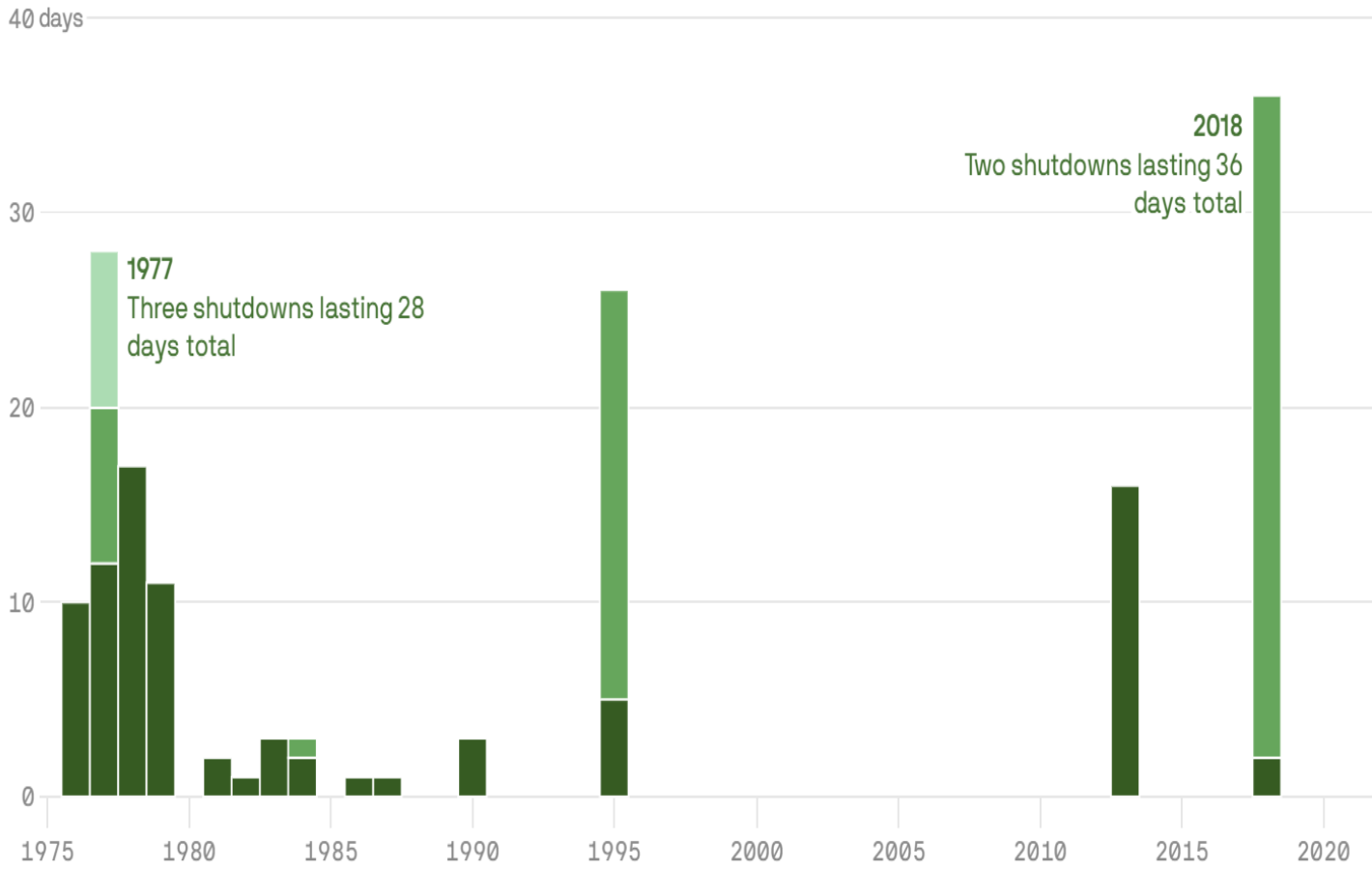
4. Every year, Congress is expected to pass the 12 appropriations bills that fund every government agency and program by September 30, in time for the start of the government's fiscal year on October 1. The last time all 12 bills had passed Congress by the deadline was 1997.
5. Missing the deadline usually means Congress passes a "continuing resolution" or temporary extension of funding that keeps the government open and operating. A "CR" can last for a days, weeks or months. On three occasions in the last 20 years, the continuing resolution has lasted the entire fiscal year.
6. Without a CR, the government shuts down. The last shutdown lasted 35 days from late December 2018 to late January 2019—the longest shutdown ever.

September 22, 2023, Charles Schwab, "Congress scrambling to avoid government shutdown"

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7. Historically, government shutdowns have not caused a major reaction in the markets. In fact, the S&P 500® has risen during the last five government shutdowns.

8. But shutdowns can increase market volatility. In the 2018-2019 shutdown, the S&P 500 dropped by 2.7% on the first trading day after the shutdown, rebounded nearly 5% on the next trading day and was up more than 10% by the end of the overall 36-day shutdown.

9. An extended shutdown could have a modest impact on the overall economy. The Congressional Budget Office estimates that the 2018-2019 shutdown cost the economy about \$3 billion.

September 22, 2023, Charles Schwab, "Congress scrambling to avoid government shutdown".

Data: [U.S. House of Representatives](#); Note: Shutdowns are attributed to the year in which they started; Chart: Erin Davis/Axios Visuals

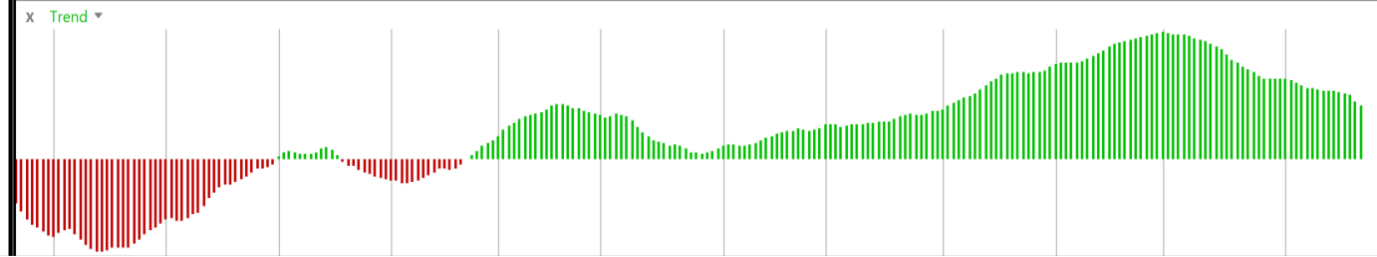
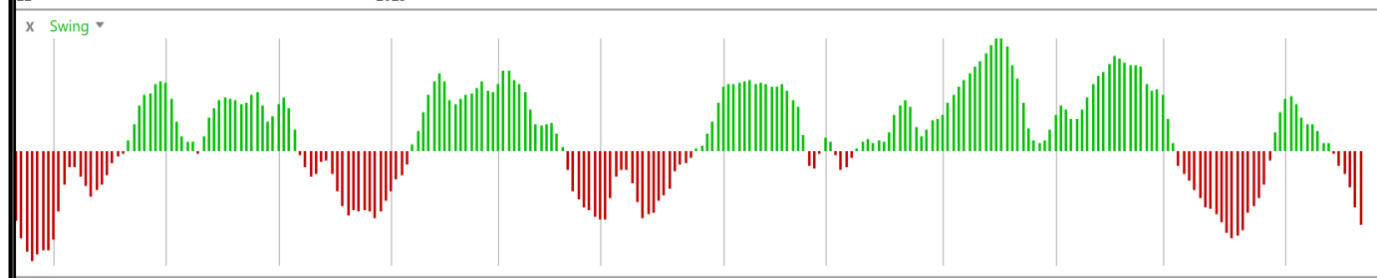
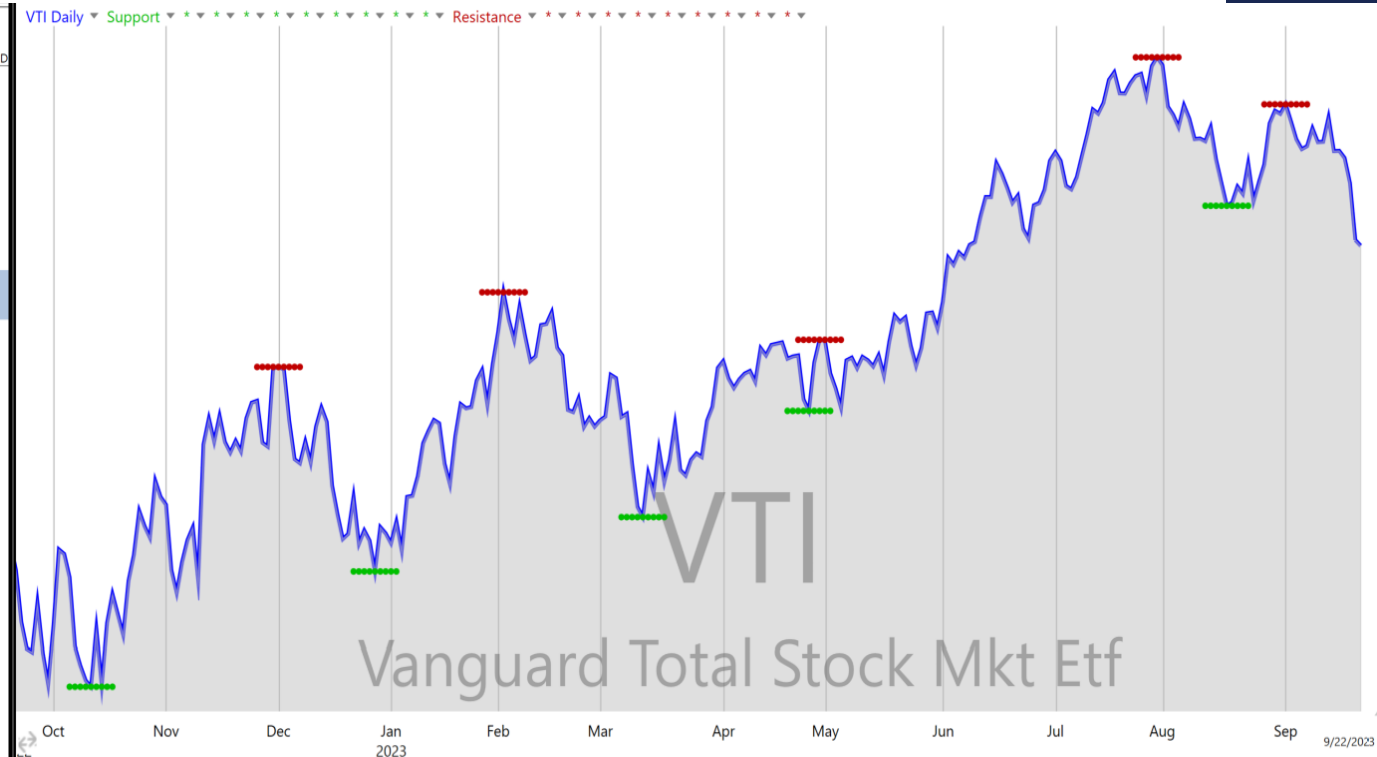
US Capitalization 1-Year Trend

Green = Tilting Bullish

Red = Tilting Bearish



Tilt	Market Segments (represented by ETFs)	Trend	Trend	Swing	Swing	Agree
0.4	iShares S&P 100 Index Fund ETF	7.1	●	●	-6.7	
-0.7	Invesco QQQTrust Ser 1	7.2	●	●	-7.9	
-0.8	iShares S&P 500 Growth ETF	7.0	●	●	-7.8	
-1.8	iShares S&P 500 Index Fund ETF	5.5	●	●	-7.3	
-3.6	Vanguard Total Stock Mkt Etf	4.8	●	●	-8.4	
-3.7	iShares S&P 500/Barra Value Index Fund ETF	3.2	●	●	-6.9	
-6.2	iShares S&P MidCap 400 Growth ETF	2.3	●	●	-8.4	
-8.4	iShares S&P MidCap 400 Index Fund ETF	0.9	●	●	-9.4	
-9.3	iShares S&P SmallCap 600 Growth ETF	0.7	●	●	-10.1	
-9.6	iShares S&P MidCap 400 Value ETF	-0.3	●	●	-9.3	✓
-9.9	iShares S&P SmallCap 600 Index Fund ETF	-0.5	●	●	-9.3	✓
-10.3	iShares S&P SmallCap 600 Value ETF	-1.9	●	●	-8.4	✓



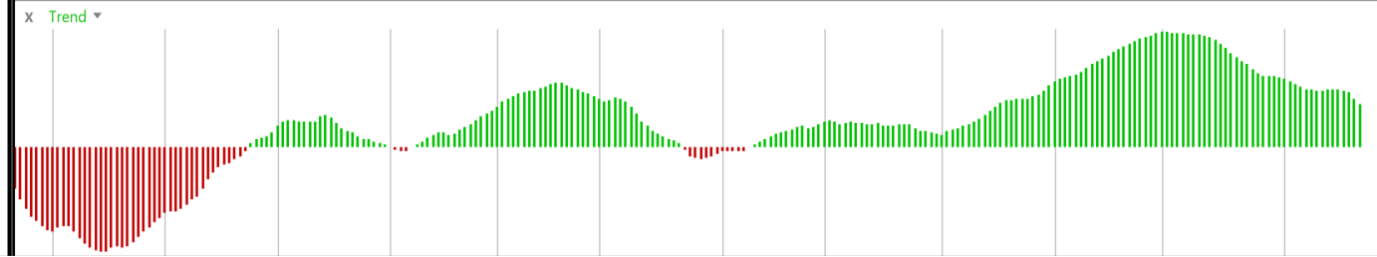
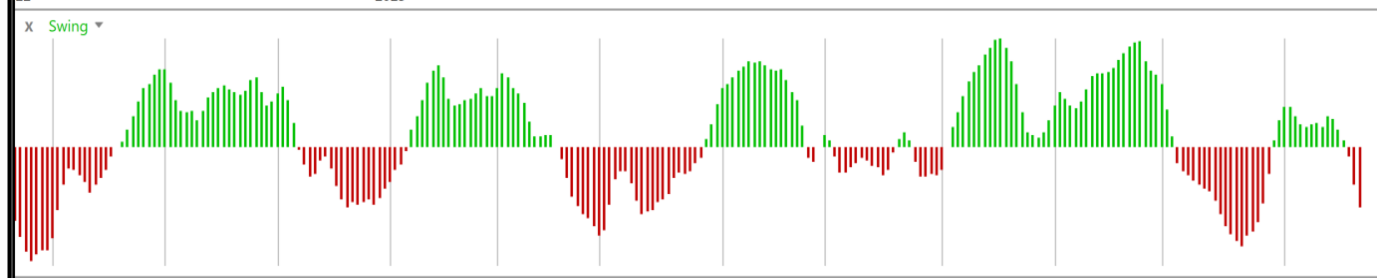
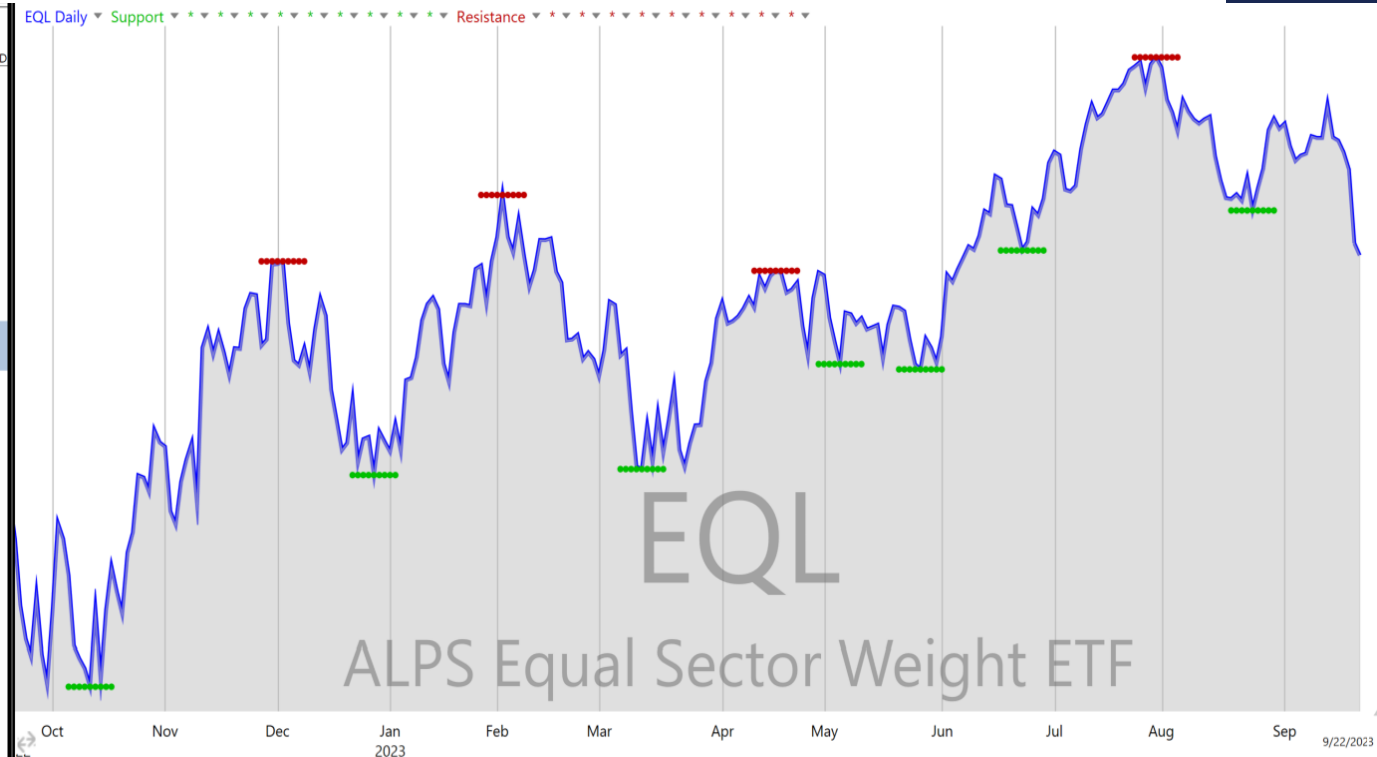
US Sector 1-Year Trend

Green = Tilting Bullish

Red = Tilting Bearish



Tilt	Market Segments (represented by ETFs)	Trend	Trend	Swing	Swing	Agree
7.0	Vanguard Energy Etf	8.9	●	●	-1.9	
1.0	Vanguard Financials Etf	3.1	●	●	-2.2	
0.8	Vanguard Telecomm Srvs Etf	6.1	●	●	-5.3	
-1.0	Vanguard Consumer Disc Etf	5.5	●	●	-6.6	
-2.5	Vanguard Utilities Etf	-6.1	●	●	3.6	
-3.5	ALPS Equal Sector Weight ETF	3.4	●	●	-6.8	
-5.3	Vanguard Information Tech Etf	4.4	●	●	-9.7	
-6.3	Vanguard Industrials Etf	3.5	●	●	-9.8	
-7.7	Vanguard Consumer Staples Etf	-4.1	●	●	-3.6	✓
-8.1	Vanguard Materials Etf	0.5	●	●	-8.5	
-8.1	Vanguard Health Care Etf	-0.2	●	●	-7.9	✓
-11.5	Vanguard Reit Etf	-3.5	●	●	-8.1	✓



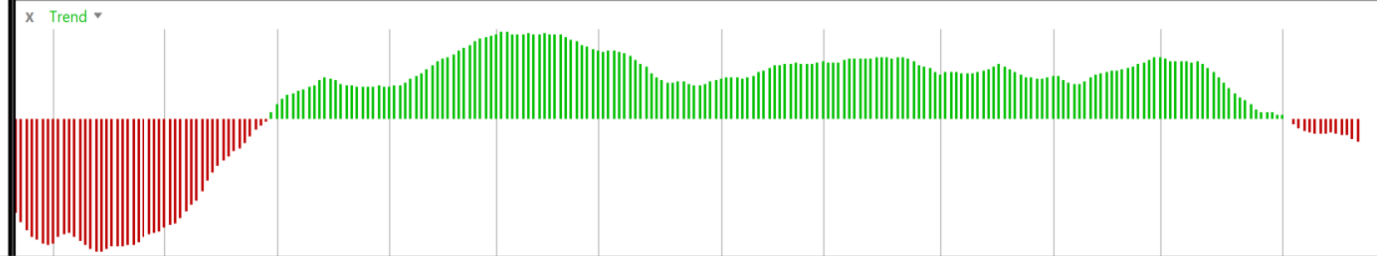
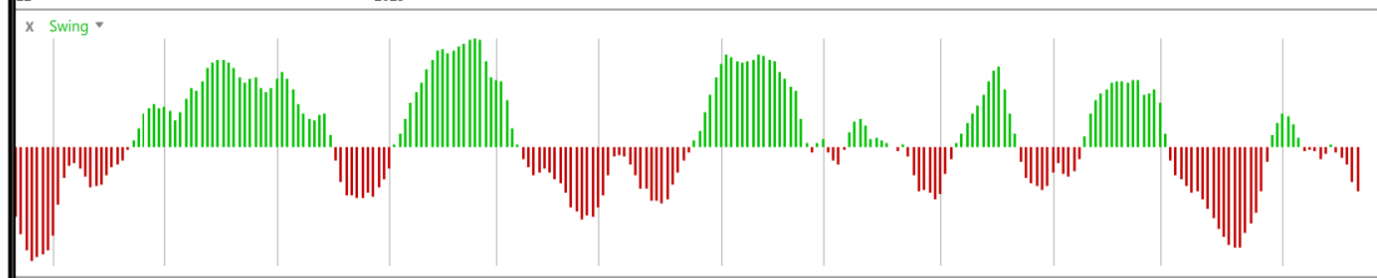
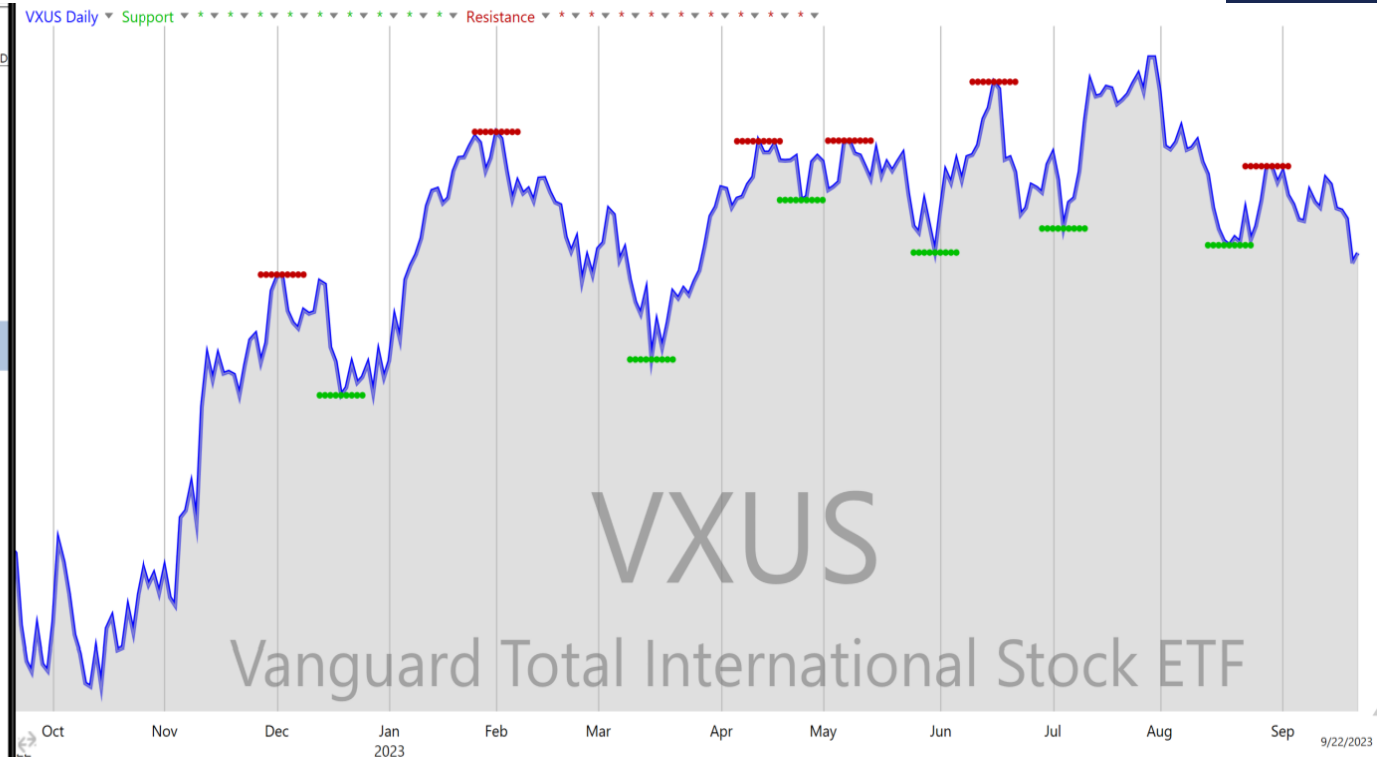
International Equity 1-Year Trend

Green = Tilting Bullish

Red = Tilting Bearish



Tilt	Market Segments (represented by ETFs)	Trend	Trend	Swing	Swing	Agree
6.1	iShares MSCI EAFE Value Index Fund ETF	1.7	●	●	4.5	✓
1.8	iShares S&P Latin America 40 Index Fund ETF	1.2	●	●	0.6	✓
-0.4	Vanguard International High Dividend Yield ETF	0.0	●	●	-0.4	✓
-2.5	Vanguard Pacific Etf	-0.3	●	●	-2.2	✓
-5.5	iShares MSCI EAFE Index Fund ETF	-2.3	●	●	-3.1	✓
-7.2	Vanguard Total International Stock ETF	-2.0	●	●	-5.2	✓
-8.1	Vanguard International Dividend Appreciation ETF	-2.2	●	●	-6.0	✓
-8.2	Vanguard Emerging Markets ETF	-1.5	●	●	-6.7	✓
-8.5	Vanguard FTSE All-World ex-US Small-Cap ETF	-1.5	●	●	-7.0	✓
-9.6	Vanguard European Etf	-3.9	●	●	-5.7	✓
-10.4	iShares MSCI EMU Index Fund ETF	-4.2	●	●	-6.3	✓
-14.8	iShares MSCI EAFE Growth Index Fund ETF	-5.7	●	●	-9.0	✓



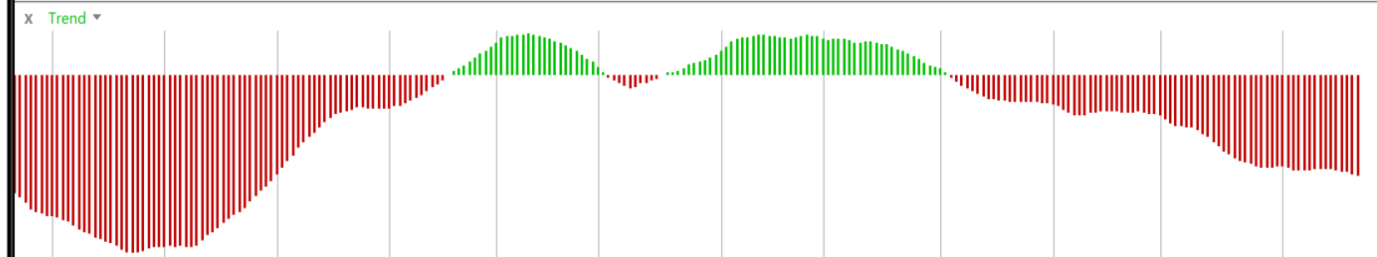
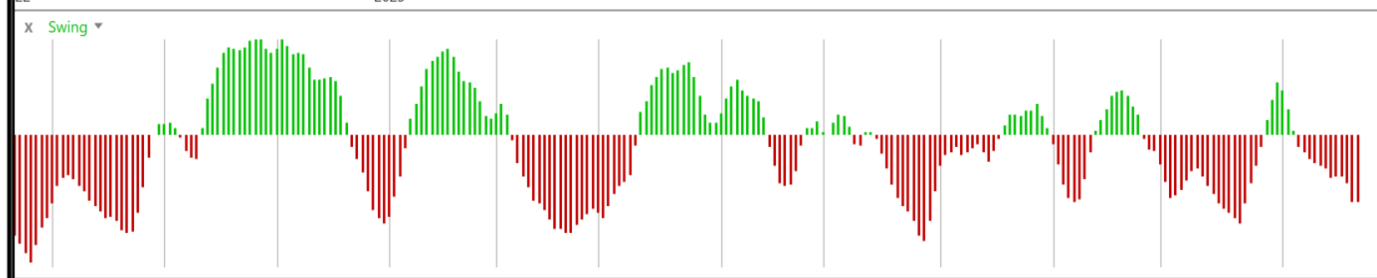
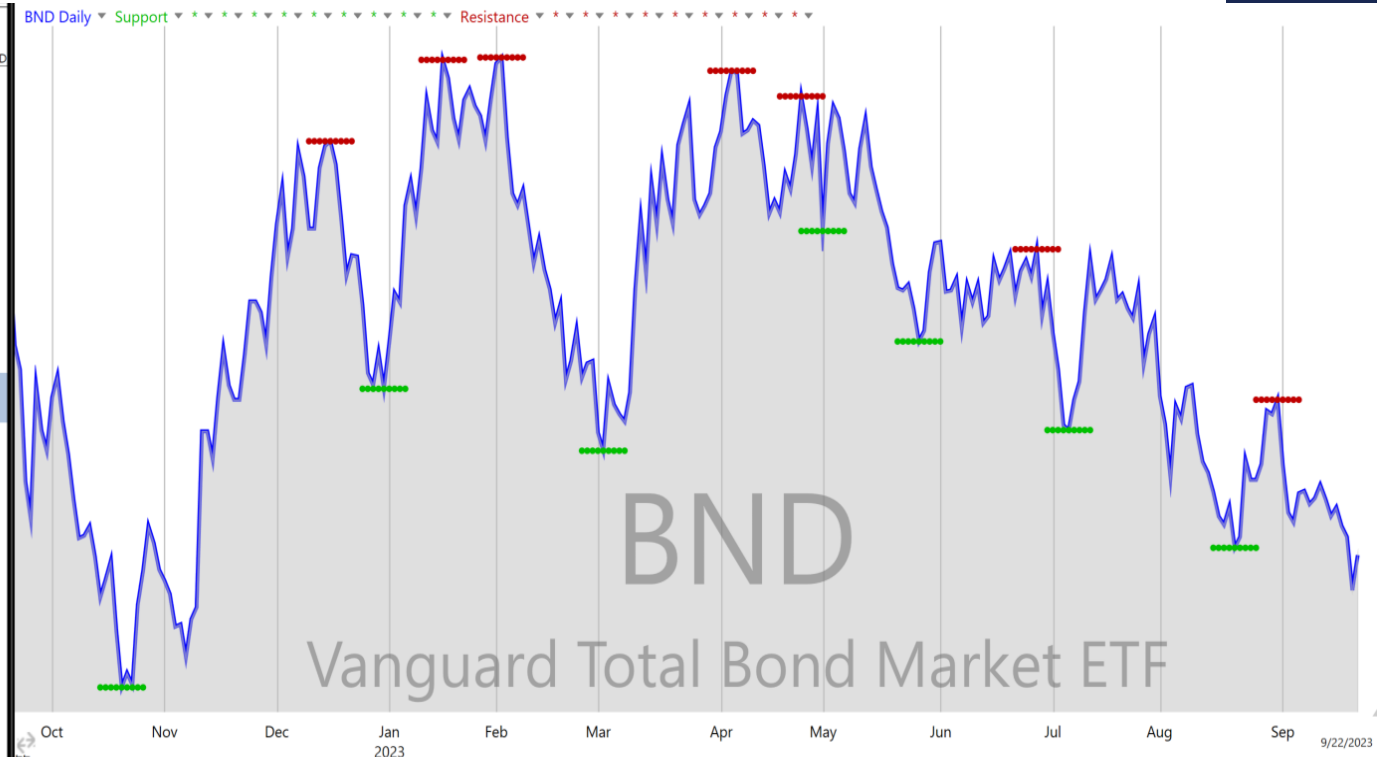
US Bond 1-Year Trend

Green = Tilting Bullish

Red = Tilting Bearish



Tilt	Market Segments (represented by ETFs)	Trend	Trend	Swing	Swing	Agree
-6.0	iShares IBoxx \$ High Yield Corporate Bond ETF	0.0	●	●	-6.0	✓
-8.1	Vanguard Short-Term Corporate Bond ETF	-3.1	●	●	-5.0	✓
-8.7	iShares Barclays 1-3 Year Treasury Bond Fund	-4.9	●	●	-3.8	✓
-10.6	Vanguard Long-Term Corporate Bond ETF	-5.9	●	●	-4.7	✓
-11.3	iShares Iboxx \$ Investop Corp Bd	-5.5	●	●	-5.9	✓
-12.7	Vanguard Intermediate-Term Corporate Bond ETF	-5.5	●	●	-7.3	✓
-13.7	Vanguard Total Bond Market ETF	-6.6	●	●	-7.1	✓
-14.8	iShares Barclays 3-7 Year Treasury Bond Fund	-6.5	●	●	-8.3	✓
-15.9	iShares Barclays U.S. Treasury Bond Fund	-7.6	●	●	-8.3	✓
-16.7	iShares Barclays 7-10 Year Treasury Bond Fund	-8.1	●	●	-8.6	✓
-17.4	iShares Barclays 10-20 Year Treasury Bond Fund	-9.3	●	●	-8.1	✓
-17.7	iShares Barclays 20+ Year Treasury Bond Fund	-9.9	●	●	-7.8	✓





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