

# 7 Historical Stock Market Trends Triggered By The Impact Of Wars

*The American stock markets' histories after wars, and especially since World War II, have been remarkably predictable in their post-conflict pattern.*

PHILADELPHIA, PA, UNITED STATES, May 8, 2026 /EINPresswire.com/ -- The recent weeks have been volatile ones for the U.S. stock markets, as the U.S. and Israel prepared and engaged in military action against Iran. We saw the Dow both reach a new record of over 50,000 and then, less than a few weeks later, it was down nearly 4%, a significant drop for that short time period. Although pundits point to the war with Iran as a catalyst driving the negative volatility, the recent events raise the question as to what traditionally has been the history of the U.S. markets during and after wars? Is it all negative?

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Building resiliency into one's portfolio is key to profitably from managing the volatility to achieving long-term goals. For best results, keep risk in check by unemotionally focusing on fundamentals.”

*James W. Graves, CFP*

According to James Graves, investment thought leader, advisor and Founder of Joppa Mill Advisors, “Although wars

typically bolster a feeling of uncertainty, the financial fundamentals for most companies don't change. After some initial negative volatility, stock markets have proven to be resilient, recover and even grow as the conflict stabilizes or ends.”

Graves points to the American stock markets' histories after wars, and especially, since World War II. Following a list of conflicts including WWII, the Korean War, Vietnam, Afghanistan, and others, the markets have been remarkably predictable in their post-conflict pattern. After a relatively brief downturn, the markets bounce back and grow significantly. The exception to the rule was the Gulf War where oil supply was affected such that it influenced economies, slowing the recovery. However, after a slightly longer post-war period, market recovery and growth did occur.

Graves has compiled a list of 7 trends that are triggered by the impact of war. They include:

1) The chaos and volatility of wars, tend to create extraordinary buying opportunities. Initially, markets react adversely to wars, driving equity prices down. The seeming turmoil triggers a market downturn that often creates windows of opportunity for rational buyers to

acquire equities at significant reductions below pragmatic value. Savvy investors anticipating this trend can set the stage for future gains.

2) During wars, the history of short-term market volatility typically leads to long-term growth. After virtually every war, for at least the last hundred or more years, the markets experience negative volatility, but then quickly recover as the economic environment stabilizes.

3) The state of the world's oil supply can be one outlying factor that can influence the markets recovery timelines.

Access to oil supply might be the one factor with the power to influence markets' post-war recoveries. The Gulf War is a good example of this, since the oil supply was affected in unique ways during that conflict. Although oil supply pressures can be a negative influence on markets, ultimately the markets recovered and thrived.

4) Thinking outside the box can often yield richer results during and after war.

Obviously, defense, security and energy stocks perform well, but so do others. Thinking beyond the obvious can often provide greater opportunities that are not already over-valued. Questions to ask are: how will a war affect logistics, technology, raw materials and other industries after the war? What industries are hardly affected by war, such as healthcare, food and necessities.

5) Wars often create a rush to gold and silver, but is that always the wisest course? Instability often pushes people to invest in commodities such as gold and silver as safe havens for their money. But since markets traditionally recover, a safe haven may not be the most profitable long-term haven for your investment.

6) Markets are unemotional during war, even though people may not be. Although wars are terrible for humans and can trigger fear and instability in markets, actual company value doesn't typically change. Stoic engagement and rational analysis usually win out.

7) War doesn't stop innovation, it energizes it. War often creates opportunities from innovation in virtually every sector.

Said Graves, "The history of the American stock markets during and after wars is remarkably



James W. Graves, CFP, Investment Advisor & Principal at Joppa Mill Advisors

consistent. Building resiliency into one's portfolio is key to profitably from managing the volatility to achieving long-term goals. For best results, keep risk in check by unemotionally focusing on the economic and technical fundamentals."

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ABOUT JAMES GRAVES  
James Graves is a nationally recognized investment thought leader, investment advisor and Founder of Joppa Mill Advisors. He began his career at Bankers Trust Company as a commercial lending officer before transitioning to BCo.'s trading desk where he was an institutional bond salesman and subsequently underwrote and traded Federal Agency bonds. Decamping from New York, Graves has held senior positions with Wilmington Trust Company, T. Rowe Price, Acadian Asset Management, Morgan Stanley and Merrill Lynch. In addition to his holding the preeminent industry designation, Certified Financial Planner®, he holds degrees from Trinity College in Hartford CT (B.A. English/Political Science) and New York University Stern School of Business (M.B.A.).

Investment advice is offered through Wealthcare Advisory Partners LLC dba Joppa Mill Advisors LTD. Wealthcare Advisory Partners LLC is a registered investment advisor with the U.S. Securities and Exchange Commission.

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