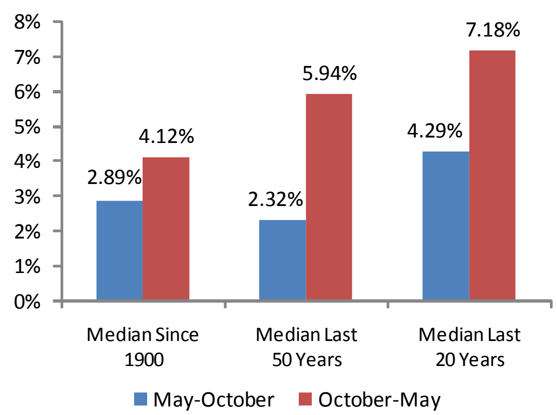
# Sell in May, Go Away?

A common saying on Wall Street is to Sell in May and Go Away, as the market is generally thought to drift sideways or go lower during the Summer months. While the Winter months (November-April) do better than the Summer months (May-October), the Summer months still usually see gains, so it's not a winning strategy. Since 1900, the median gain of the Dow from the start of May to the end of October has been 2.89%, while the median gain from the start of November to the end of April has been 4.12%. Sure, the Winter is better, but by selling in May, you're giving up gains. Over the last 100, 50, and 20 years, May to October has been positive more than it has been negative.

We also looked at the compounded returns of various "Sell in May" strategies for the Dow since 1900. If you were to Sell on the last day of April and buy on the last day of October every year since 1900, $100 would now be worth $8,001. However, if you were to have simply bought on the last day of April in 1900 and held until now, the $100 would be worth nearly double at $15,204. And if you were to short the Dow on the last day of April and then cover and go long on the last day of October every year, the $100 would only be worth $527. Simple buy and hold works better than the "Sell in May, Go Away" strategy, so if you really want a saying that lets you relax for the Summer, use "Hold in May and Go Away" instead.

**Dow Returns From May to October and October to May Since 1900**




| | May-October | October-May |
|---|---|---|
| Average Since 1900 | 1.53% | 5.00% |
| Median Since 1900 | 2.89% | 4.12% |
| % Up | 60.2% | 67.6% |
| Average Last 50 Years | -0.49% | 6.85% |
| Median Last 50 Years | 2.32% | 5.94% |
| % Up | 56.0% | 74.0% |
| Average Last 20 Years | 0.44% | 6.86% |
| Median Last 20 Years | 4.29% | 7.18% |
| % Up | 60.0% | 85.0% |

**Growth of $100 in Various DJIA Strategies Since 1900**