Friday the 13th Phobia? For Investors, It’s Usually a Good Day.

Posted by WSJ Staff


It’s Friday the 13th, my name is Jason and I’m hoping I can slay one of the stock market’s dumber myths once and for all.

A lot of investors are still superstitious about Friday the 13th, regarding it as an unlucky day for the stock market. Just look, they say, at Friday the 13th of October, 1989, when the leveraged buyout of UAL fell apart, ending the junk-bond boom and knocking 6.9% off the Dow in one fell swoop. Or what about Friday the 13th of October, 2000, when the Heartland mutual funds wrote down their bond holdings, wiping away 69% of the net asset value of Heartland High-Yield Municipal Bond Fund in a single day?

But investors’ fear of Friday the 13th – christened paraskevidekatriaphobia – is not merely nonsense. It’s actually contradicted by the facts. On average, the stock market does not do worse on Friday the 13th; it does slightly better than average.

Of course, Wall Street has always been a superstitious place that has embraced the “Super Bowl signal” (when an original NFL team wins the big game, it’s good for stocks) or the “helmine indicator” (when dresses are short, you should be long on stocks). Traders cling to rabbits’ feet, insist on parking their car in the same space so long as they’re making money, refuse to write in red pen and sometimes wear the same shirt day after day or even stop brushing their teeth when they’re on a winning streak.

I asked G. William Schwert, an eminent finance professor at the Simon Graduate School of Business at the University of Rochester, if he could send me his massive dataset of stock-market returns for every day all the way back to 1885. Then I prevailed on The Wall Street Journal’s resident Excel wizard, Maurice Tamman, to plow through it.

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In the 1990s, Friday the 13th kicked butt, generating more than five times the return of the 13th than if it unfolds on, say, Tuesday the 4th or Monday the 28th, simply because 13 is regarded as an unlucky number (at least in Western cultures).

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