

MOUSSEAU: The Cumberland World Series Theory of the Bond

Most investors have heard of the “Super Bowl Theory of the Dow.” This theory, first proposed by sportswriter Leonard Koppett in the 1970s, according to Wikipedia, posited that when a team from the “old” NFL (the current NFC, plus the Colts, Browns and Steelers, who joined the AFC in 1970) won the Super Bowl, the Dow Jones Industrial Average would advance in the year following the game. If a team from the AFC won the Super Bowl, the Dow would decline.



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Amazingly, this theory has worked out almost 80 percent of the time, though the February 2017 Super Bowl, won by the Patriots (AFC), did NOT accurately predict the stock market (up in 2017).

The correlation, of course, is just a coincidence: There is no connection between a conference winning the Super Bowl and subsequent returns in the stock market, and thus there is no reason to think that the Super Bowl can be used to predict markets.

Read the full article at the Sarasota Herald's website:
www.heraldtribune.com

Or read the full commentary here:
www.cumber.com/the-cumberland-world-series-theory-of-the-bond/