



CAPITAL MANAGEMENT

Steelers, Super Bowls and the Stock Market

Some of our clients will remember that three years ago we provided an analysis of the stock market's performance when the Pittsburgh Steelers football team participates in the NFL's Super Bowl championship game. The data continues to suggest that even if you are not a Steelers fan (or a fan of football at all) you should be happy that the Pittsburgh Steelers will play in the Super Bowl this year. Additionally, you should be happy that the Steelers are playing a first-time participant in the game (Arizona Cardinals).

Since 1967 (the year the first Super Bowl took place), the average annual return to the S&P 500 has been 10.94%. During those 42 years, there has been a team making its debut in the title game a little more than half the time (23 of 42 games). The average annual S&P 500 return for those 23 years in which there is a first-time participant in the Super Bowl (10.75%) is not very different from the overall average. So with the Arizona Cardinals making their first appearance, on that basis, at least we can expect an average year for the stock market in 2009. However, given that the Arizona team is facing a seasoned Pittsburgh Steelers team with many prior appearances in the big game, the market outlook improves dramatically.

In the first 42 Super Bowls, there have been seven teams to make it to the Championship game at least five times. (This includes the Raiders, who represented both Oakland and Los Angeles). While the sample size is extremely small and certainly not significant, it is interesting to note that there is a Steelers-Super Bowl anomaly that has developed. Looking at the S&P 500 return for each calendar year that one of the seven teams has played, the Steelers years have the highest average annual return. **In fact, the Pittsburgh Steelers are the only team with five or more appearances in which the S&P 500 was up double-digits every year in which they played in the Super Bowl.** For the six previous years that the Steelers played in the Super Bowl, the average annual S&P 500 return in the year the game was played is 25.17% (See table). So, all of our clients have a reason to be happy TWIN's hometown Steelers will play in Super Bowl XLIII on February 1. Of course all of the TWINsters root for the Steelers to make and win the Super Bowl every year and for the market to go up!

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<u>Team</u>	<u>Year</u>	<u>S&P 500</u> <u>Total Return</u>
Pittsburgh Steelers	1975	37.23
Pittsburgh Steelers	1976	23.93
Pittsburgh Steelers	1979	18.61
Pittsburgh Steelers	1980	32.50
Pittsburgh Steelers	1996	22.96
Pittsburgh Steelers	2006	15.80
Pittsburgh Steelers	2009	???
Average (6-years)		25.17
San Francisco 49'ers	1982	21.54
San Francisco 49'ers	1985	31.73
San Francisco 49'ers	1989	31.69
San Francisco 49'ers	1990	-3.10
San Francisco 49'ers	1995	37.58
Average (5-years)		23.89
Dallas Cowboys	1971	14.31
Dallas Cowboys	1972	18.98
Dallas Cowboys	1976	23.93
Dallas Cowboys	1978	6.57
Dallas Cowboys	1979	18.61
Dallas Cowboys	1993	10.08
Dallas Cowboys	1994	1.32
Dallas Cowboys	1996	22.96
Average (8-years)		14.59
Denver Broncos	1978	6.57
Denver Broncos	1987	5.25
Denver Broncos	1988	16.61
Denver Broncos	1990	-3.10
Denver Broncos	1998	28.58
Denver Broncos	1999	21.04
Average (6-years)		12.49
Washington Redskins	1973	-14.66
Washington Redskins	1983	22.56
Washington Redskins	1984	6.27
Washington Redskins	1988	16.61
Washington Redskins	1992	7.62
Average (5-years)		7.68
Oakland/LA Raiders	1968	11.06
Oakland/LA Raiders	1977	-7.16
Oakland/LA Raiders	1981	-4.92
Oakland/LA Raiders	1984	6.27
Oakland/LA Raiders	2003	28.68
Average (5-years)		6.79
New England Patriots	1986	18.67
New England Patriots	1997	33.36
New England Patriots	2002	-22.10
New England Patriots	2004	10.88
New England Patriots	2005	4.91
New England Patriots	2008	-37.00
Average (6-years)		1.45