

# Mood swings

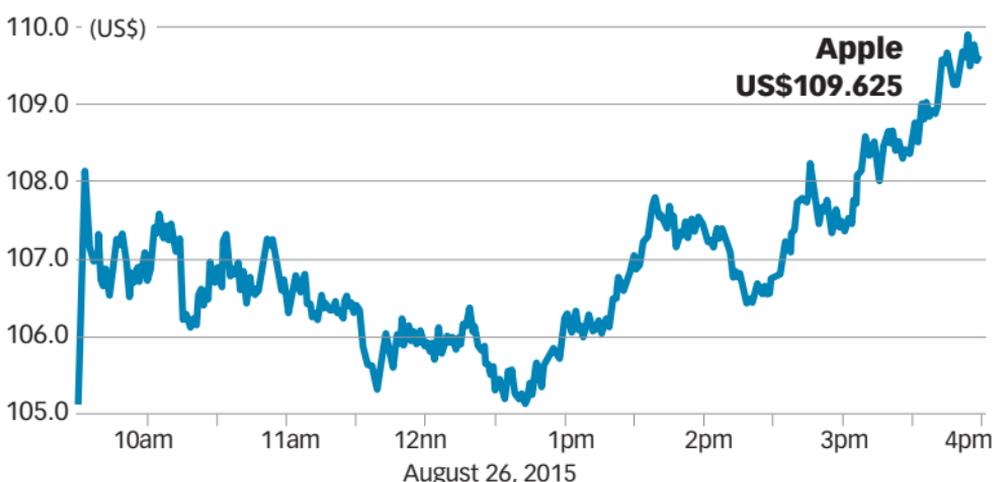
The roughly 20 per cent peak-to-trough plunge of the STI looks scary if you just focus on 2015, but we are just back to where we were in parts of 2011 and 2012



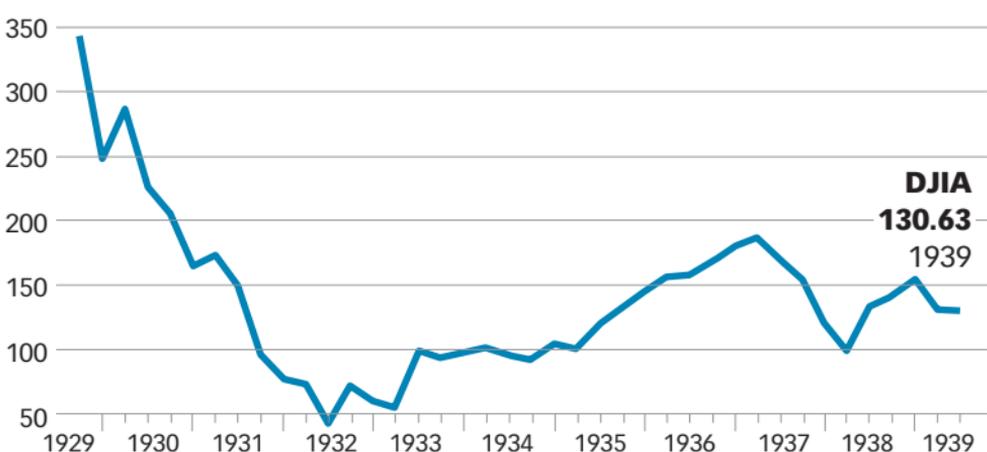
Markets don't look as volatile on a long-term horizon, like this graph of the old Straits Times Index



In the really short term, day traders wielding leverage can make or lose a lot of money, for example in one day of trading Apple



The Great Depression might look frightening in how far the Dow Jones Industrial Average plunged from its 1929 peak



But with severe deflation in the first five years (y-o-y % change in Consumers Price Index), the wealth effect of any recovery was magnified

