

## EARNINGS? FORGET 'EM - BLAME SLUMP ON FOOTBALL

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January 24, 2003 -- Forget the economy, earnings, and accounting fraud - stocks are heading South because of football.

At least that's what believers in the "Super Bowl" theory of markets would say.

**BEAR WARNING:**  
*The market slumped after Joe Namath led the AFL's Jets to a Super Bowl victory in '69.*  
AP

The S&P 500 will end the year lower than where it began this year, according to this popular stock market legend.

The theory, which has held true in 29 of 36 Super Bowl years, is that markets go up in a year when the Super Bowl winner is a team from the original National Football League - a designation that once included all the teams in the National Football Conference. Otherwise, markets go down.

But this year, for the first time, neither team is from the original NFL, so investors don't have to wait for the actual game to be played to determine the market's direction.

The Oakland Raiders, originally an AFL team, are favored to win the Super Bowl over the Tampa Bay Buccaneers, an expansion team belonging to neither of the original leagues. Traditionally, when an AFL team wins, markets go down.

But there's confusion over what would happen if Tampa Bay managed an upset victory. An expansion-team win has never been tested by the theory, since an expansion team has never before won the Super Bowl.

"Unless the 'predictor' is wrong - which I hope it is - 2003 should be a good year for making money by shorting stocks," said Peter Cohan, founder of Cohan & Associates, a technology-oriented investment banking boutique.

While the Super Bowl theory has a great long-term track record, its recent performance is much spottier. It was right about the markets last year, but wrong for the previous four years.

And most Wall Street pros warn investors to ignore market myths like the Super Bowl theory, saying they are no better a predictor of stock market performance than tossing a coin to determine whether to buy or sell.

Sure enough, though, stocks fell in the first two trading days of the week - after last Sunday's playoff games left no teams from the original NFL.

The Dow Jones industrial average rose 50.74 to 8,369.47. So far this week, it's still down 217 points. The S&P 500 advanced 8.98 to 887.34 yesterday. Its weekly loss is 14 points. The Nasdaq composite, which has never been a part of the Super Bowl theory, was up 28.79, or 2.12 percent, to 1,388.27 yesterday. Its weekly gain is 12 points.

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