Thirteen Days That Broke the Record

How the S&P 500 rallied from an Iran-war low to a new all-time high, the fastest recovery per unit of drawdown since 2002

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The Number

$6,316.91. That's the intraday low the S&P 500 printed on Monday, March 30, at 3:29 PM Eastern, the bottom of the drawdown caused by the Iran war.

$7,147.52. That's the intraday high the same index printed on Friday, April 17, a new all-time record.

The distance between those two prices is **$830.61**, a **13.15% move in 13 trading sessions**. Darrell Cronk, Chief Investment Officer of Wells Fargo Wealth & Investment Management, called it “one of the fastest recoveries ever on record” in an April 16 CNBC interview. By the close on Thursday, April 16, the Nasdaq Composite had posted 13 consecutive up sessions, matching the 13-day winning streak it set starting January 9, 1992, a record that had stood for over 34 years.

If you were trading during the last month, you felt it. If you weren't, the chart looks impossible: a V-shaped selloff and recovery that compressed what historically takes months or years into less than three weeks. This brief reconstructs what happened, on the tape, in the news, and inside the options market that made the speed possible.

How the hole was dug

The story starts on the last day of February.

At 8:38 PM Eastern on Friday, February 28, 2026, U.S. and Israeli forces launched nearly 900 strikes against Iranian military, missile, and leadership targets in 12 hours, Operation Epic Fury. Iran's supreme leader, Ali Khamenei, was killed. The strikes also destroyed Iran's ballistic-missile production, crippled its navy, and targeted its defense industrial base. The operation's worst civilian outcome was a strike on the Shajareh Tayyebeh girls' school in Minab, killing more than 150 people including some 120 schoolchildren, attributed by Amnesty International's subsequent investigation to a U.S. Tomahawk missile.

The next trading day, Brent crude was up 10 to 13 percent. By late March, the global benchmark was at **`$112.57 per barrel`**, the highest since 2022. The International Energy Agency called it the largest supply disruption in the history of the oil market.

Every dollar of that oil-price shock fed directly into inflation expectations. The Federal Reserve, meeting March 17-18, held rates steady at 3.5-3.75% against one dissenting vote for a cut. Fed Chair Powell's press conference noted explicitly that Middle East developments introduced significant uncertainty. Markets read that as hawkish-in-war, and the selling accelerated.

By Friday, March 27, the Dow was officially in correction territory, the Russell 2000 had been there for a week, and the S&P 500 had posted its fifth consecutive losing week. The VIX touched **31.65** intraday that afternoon, almost double its pre-war level.

The following Monday, March 30, was the low.

The turn

Monday, March 30 was, on its surface, a quiet day. The S&P 500 opened at **$6,403**, traded down to **$6,316.91** by 3:29 PM, and closed at **$6,343.72**, down less than half a percent on the day. Compared to the carnage of the prior week, it looked like a rest stop.

It wasn't. Late Monday afternoon, two things happened. First, a report from Tehran indicated that Iranian President Masoud Pezeshkian was open to ending the war if given security guarantees. Then, in a separate interview with the *New York Post*, President Trump said he believed the war would end soon, and that other nations were already positioning to reopen the Strait of Hormuz without U.S. involvement.

There was no ceasefire yet. There was no agreement. But the *distribution* of possible tomorrows shifted, and for the first time in a month, the left tail had narrowed.

Tuesday morning, the S&P gapped up **$52** from Monday's close and kept going. The index closed at **$6,528.52**, **up 2.91% on the session**. Breadth: 441

of 500 constituents advanced. Sector participation: 10 of 11. This was the best single day for U.S. equities since May 2025.

What most traders didn't see, because it doesn't appear on any price chart, was that the mechanical setup for a rally had already arrived by Monday afternoon. The options market was telling that story in three specific signals, all visible inside our intraday options-market observations.

> OBSERVATION ONE
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> **Dealers ran out of fuel.** For most of March, market-making dealers had been operating with a book that mechanically amplified volatility, when the market fell, they had to sell more to hedge, which drove more falling. That amplifier drained through the month. By Monday's close, it was running on empty.

> OBSERVATION TWO
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> **The panic put-buying had peaked a week earlier.** The ratio of put option volume to call option volume had spiked on March 19-20, pure fear pricing. Across the next eight sessions, even as the index kept declining, the ratio came back down. By Monday, puts had stopped being aggressively bought. The last hedgers were already hedged.

> OBSERVATION THREE
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> **Trade intensity spiked on the low.** Our intraday observation density on March 30 was the highest of any session in the preceding two weeks. Spikes in trade intensity at a price low are the observable echo of forced selling: margin calls, stop-loss triggers, rebalance flow. They typically mark exhaustion, not continuation.

The news that reversed the market Tuesday was the Pezeshkian peace-signal story. The structure that *let* the news reverse the market was already in place by Monday afternoon.

Eight days to 7,000

From Tuesday, March 31 through Monday, April 13, the S&P climbed from **$6,528.52** to **$6,886.24**, up another **5.5%** across eight sessions.

The rally had two distinct characters.

The first six sessions were grinders. April 1 and 2 added less than a percent combined. April 6 and 7 were the first sessions in nearly a month where the gamma regime, the structural force that had been driving amplified selling, quietly flipped positive. The dealer book transitioned from “sell into up-moves” to “buy into down-moves.” Volatility began being *dampened* rather than amplified.

The second character came Wednesday, April 8, when the ceasefire news hit. Overnight, wire reports confirmed that Iran, the United States, and Israel had agreed to a two-week ceasefire, brokered by Pakistan, to begin that morning. The S&P gapped open $137 higher and closed at **$6,782.81**, **up 2.51% from the Tuesday close**. The VIX collapsed from 25.78 to 21.04 in a single session.

The gap-up was the most visible moment of the rally. It was also the last moment when the rally was mostly “mechanical”, the short-gamma dealer book had been forced to buy into the move, and then the loop broke. Everything that came next was something different: real money.

How it absorbed bad news

The true test of a rally is how it handles bad news.

Friday, April 10, the U.S. Bureau of Labor Statistics released March CPI. Headline inflation jumped from 2.4% in February to **`3.3% in March`**, the first full CPI reading since the war began. Energy prices were up 10.9% for the month; gasoline alone was up 21.2%. Month-over-month, headline CPI printed 0.9%, the highest in years. A market that had been running scared of inflation for weeks should have dropped sharply.

It didn't. The S&P finished at **`$6,816.89`**, **down 0.11%**. The VIX ticked up a point. The market absorbed it.

The following Monday, April 13, was a harder test. Over the weekend, peace talks in Islamabad had collapsed. Monday morning, the United States began a naval blockade of Iranian ports via the Strait of Hormuz. Oil spiked. A year before, a Hormuz blockade headline would have been a three-percent down day.

The S&P closed at **`$6,886.24`**, **up 1.02%**.

Inflation-shock print absorbed. Blockade headline ignored. Ceasefire framework holding. The structural setup that had made the selling mechanical in March was now doing the same thing in the opposite direction, absorbing shocks instead of amplifying them.

The breakthrough

Three sessions then delivered the new record.

TUESDAY, APRIL 14

March PPI: 0.5% vs 1.1% consensus. A soft PPI after a hot CPI argued the first wave of war-driven inflation might already be peaking. S&P closed at **$6,967.38**, a new record close. Nasdaq posted its 12th consecutive up session, its longest streak since 2009.

WEDNESDAY, APRIL 15

First close above 7,000. S&P +0.80% to **$7,022.95**, the first time ever above the $7,000 threshold.

THURSDAY, APRIL 16

Trump announces Israel-Hezbollah 10-day truce. Oil eased. S&P closed at **$7,041.28**, another record. Nasdaq's 13th consecutive up session matched the January 1992 all-time record.

FRIDAY, APRIL 17

S&P traded up to an intraday high of **$7,147.52** before settling at **$7,126.06**, up 1.20%.

Total distance from the March 30 low: **`$830.61`**. Thirteen trading sessions. 13.15%.

Where this sits in history

Most market drawdowns take months or years to retrace. Black Monday 1987 took 264 days to return to prior highs. The December 2018 Fed-trade-war selloff took about five months to recover. The 2020 COVID crash, once seen as breathtakingly fast, took roughly 108 trading days to return to its prior peak. The Global Financial Crisis took five and a half years.

The March 2026 drawdown was not especially deep, a 9.8% pullback from the January 28 all-time high. It was, however, the fastest recovery per unit of drawdown in a generation: roughly 10 times faster than the next-fastest comparable (December 2018). Only the October 2002 bottom retrace is in a similar speed bracket, and that one needed two-plus years of grind to confirm.

Three things made this cycle different.

The cause was singular and externally resolved. COVID had no clear endpoint at the bottom. The GFC was a balance-sheet crisis requiring years of workout. This drawdown had exactly one cause, the Iran war, and the cause was formally paused by a public, bilateral event.

The dealer book was not damaged. In 2008 and March 2020, the crash ran through forced unwinds that destroyed dealer capacity for weeks. In March 2026, the positioning that drove the selling was merely *positioned* short, not *broken* short. Positions that are positioned can unwind as fast as they were established.

The catalysts stacked. Between the April 8 ceasefire, the absorbed April 10 CPI, the ignored April 13 blockade, the April 14 PPI miss, the April 15 breakthrough of 7,000, and the April 16 Israel-Hezbollah truce announcement, the tape was handed six sessions of one-directional macro news. A single countering event, a disappointing tech earnings print, a Fed speaker turning hawkish, a ceasefire violation, could have broken the sequence. None happened.

What we watched, and what we're watching now

Most of what's written in this brief came from a single source: our internal SPX options-market observations, captured at sub-second resolution across every trading day from March 17 through April 13.

Our platform, zdte.ai, was built to look at that data and ask what it says about market structure. We watched the dealer gamma book sit persistently negative through March, collapse to neutral on March 30, flip to positive on April 6-7, and stay positive through the CPI shock on April 10 and the blockade headline on April 13.

We saw the put-buying panic peak on March 19, eleven trading days before the price bottomed. We saw trade intensity spike at the low. We saw the April 8 gap-up as the mechanical completion of a shift that had already begun two days earlier. We saw the rally absorb two macro shocks that, in a different regime, would have triggered substantial drops.

What the April 17 close shows is this: the dealer book is modestly long gamma, a pinning regime. The major call wall, where options buyers have aggressively bought upside exposure at **`$7,125-$7,145`**, was built entirely in the last four trading sessions. Friday's intraday rejection of $7,125 three separate times happened at that wall.

> **Below $6,800**, the dealer book is structurally thin on downside support. The put walls that would have cushioned any drawdown were dismantled through the April rally, either expired worthless or actively closed out as prices climbed away from them. If the ceasefire, which expires April 21, breaks down, or if the May 13 April CPI print comes in hotter than expected, the positioning that cushioned the last two weeks will not cushion the next.

The rally is real. It is also, at this moment, unhedged.

SOURCES

SPX daily OHLC: Investing.com historical data, cross-referenced with Yahoo Finance (^GSPC). **VIX:** CBOE historical data; FRED series VIXCLS. **Iran war timeline:** Reuters; CNBC; Al Jazeera; NPR; Britannica, “2026 Iran war”; White House, “Peace Through Strength: Operation Epic Fury.” **Minab school attack:** Amnesty International, March 2026 investigation; OHCHR statement; TIME reporting. **CPI / PPI:** U.S. Bureau of Labor Statistics release archives. **FOMC:** Federal Reserve, March 18, 2026 FOMC statement. **Recovery speed:** Darrell Cronk, Wells Fargo Wealth & Investment Management CIO, CNBC interview April 16, 2026. **Options microstructure:** ZDtE internal SPX options-market observations, March 17 – April 13, 2026.

ABOUT THIS BRIEF

This is a reported reconstruction, not a recommendation. Nothing in this brief is investment advice. The structural-positioning observations reflect our reading of the data as of publication; markets evolve, and any directional view is provisional.

zdte.ai publishes ongoing analysis of S&P 500 options market structure, dealer positioning, gamma regime, flow imbalances, volatility-surface dynamics, at sub-second resolution. If you watched the last three weeks and wondered what was happening underneath the tape, that is what this platform is for.

FULL RESEARCH PAPER

For the complete 8-part reconstruction with per-session data tables, historical comparables, dealer-positioning methodology, and six-indicator watchlist:

Read the full research paper → →

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