

The Stock Market's Reaction

As Measured by the Dow Jones Industrial Average

Date	Event	First Trading Session Response				Subsequent Market Behaviour		
		Prior Day Close	Close	Change	Percent Change	One Month	Six Months	One Year
September 11, 2001	World Trade Center towers destroyed	9,605.51	8,920.70	-684.81	-7.13%	-3.66%	11.12%	-8.71%
January 16, 1991	US launches bombing attack on Iraq	2,508.91	2,623.51	114.60	4.57%	16.97%	18.93%	29.52%
August 2, 1990	Iraq invades Kuwait	2,899.26	2,864.60	-34.66	-1.20%	-8.74%	-4.67%	4.95%
March 30, 1981	President Reagan shot by John Hinckley Jr.	994.78	992.16	-2.62	-0.26%	1.95%	-14.33%	-16.90%
August 9, 1974	President Nixon resigns	784.89	777.30	-7.59	-0.97%	-14.71%	-8.87%	5.98%
November 22, 1963	President Kennedy assassinated in Dallas	732.64	711.48	-21.16	-2.89%	6.57%	15.37%	24.99%
October 22, 1962	Cuban missile crisis	568.60	558.06	-10.54	-1.85%	15.55%	27.41%	33.89%
September 24, 1955	President Eisenhower heart attack	487.44	455.55	-31.89	-6.54%	0.04%	12.48%	5.72%
June 25, 1950	North Korea invades South Korea	224.30	213.90	-10.40	-4.64%	-4.49%	7.34%	15.13%
December 7, 1941	Japan attacks Pearl Harbor, Hawaii	115.90	112.52	-3.38	-2.92%	-0.86%	-6.19%	2.88%

In US dollars. Dow Jones data provided by Dow Jones Indexes.

Past performance is not a guarantee of future results. Values change frequently and past performance may not be repeated. There is always the risk that an investor may lose money.

Challenges to investment discipline also come in the form of political turmoil.

This slide lists a few major bad news events of the last sixty years, tracking movement of the Dow Jones Industrial Average in the first trading day following the event—and over the following year. One obvious lesson is that the Dow did not always move as one might expect, especially in subsequent periods.

The market is a complex mechanism that factors all relevant information and expectations into securities prices. Major events do not always drive the market in predictable ways.