OCTOBER 20, 1987

Excerpt

Stock traders in 1987

Market crashes

Analysts and dealers not willing to declare bull market over

BILLIONS of dollars were wiped out from stock markets around the world yesterday in reaction to the record sell-off on Wall Street last week.

"The whole world is now waiting for the Wall Street opening and I don't think it's going to be very encouraging," one US share trader was quoted as saying yesterday. In Singapore, panic selling yesterday saw the Straits Times Industrial Index plunging nearly 170 points, its biggest one-day crash in local stock market history.

The big sell-out here left a trail of triple-digit losses on the local trading floor. Bellwether stocks DBS Bank and SIA led the losers list with staggering falls of $2.90 and $2.10 to $14 and $12.30 respectively.

Rumours of racial riots in Malaysia following a shooting incident in Kuala Lumpur on Sunday night and the arrest warrant on financier Khoo Teck Puat for his involvement in the National Bank of Brunei scandal exacerbated the already tense situation caused by the New York market crash.

The widely-watched ST index created history by nosediving 12.1 per cent or 169.4 points to 1,223.28. Using the percentage drop in the ST index as a crude measure, more than $15 billion – enough to build three MRT projects – was wiped out from the market's capitalisation. Latest available stock exchange figures placed the market's capitalisation at $125.1 billion on Sep 30 when the ST index stood at 1,396.28, close to last Friday's level of 1,392.42.

With the 12.1 per cent plunge in the ST index, that figure would have roughly fallen by $15.1 billion. The all-sector BT Composite index plunged 155.26 points to 1,095.99 with not a single gain recorded against 160 falls. Comments like "bloodbath" "Black Monday" and "Pan-El was nothing compared to this" reverberated across the trading rooms of Singapore's stockbroking houses, offices and coffee shops yesterday.

DECEMBER 11, 1987

A new era in commuting and shopping

JULY 7, 1987

ST Index breaches 1,300-mark
Blue chips hotly pursued

BT Graphics: Lynette Neo