

A

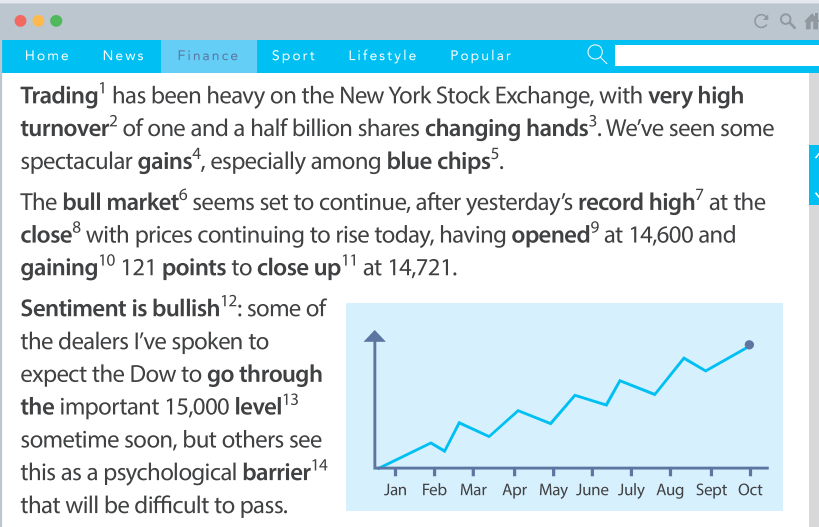
Market indexes

If there is **demand** for shares in a company, for example because it is doing well, its **share price** goes up. The overall value of shares traded on a stock market is shown by an **index** (plural **indexes** or **indices**). Here are some of the most important indexes:

- | | |
|--|------------------------|
| 1 London: FTSE: the Financial Times Stock Exchange index – pronounced ‘Footsie’ | 4 Paris: CAC 40 |
| 2 New York: Dow Jones Industrial Average – specializes in shares of long-established companies | 5 Frankfurt: DAX |
| 3 New York: Nasdaq – specializes in shares of hi-tech companies | 6 Tokyo: Nikkei |
| | 7 Hong Kong: Hang Seng |
| | 8 Shanghai: SSE |

B

Market activity: good times ...



Trading¹ has been heavy on the New York Stock Exchange, with **very high turnover**² of one and a half billion shares **changing hands**³. We've seen some spectacular **gains**⁴, especially among **blue chips**⁵.

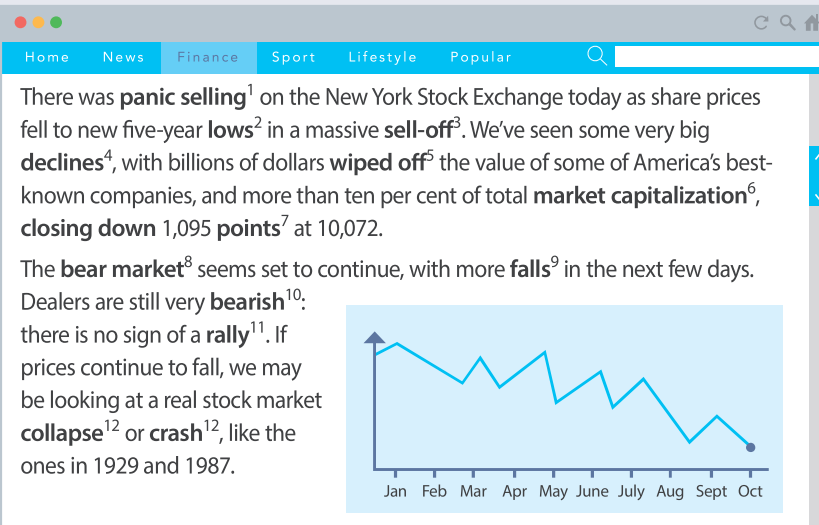
The **bull market**⁶ seems set to continue, after yesterday's **record high**⁷ at the **close**⁸ with prices continuing to rise today, having **opened**⁹ at 14,600 and **gaining**¹⁰ 121 **points** to **close up**¹¹ at 14,721.

Sentiment is bullish¹²: some of the dealers I've spoken to expect the Dow to **go through the important 15,000 level**¹³ sometime soon, but others see this as a psychological **barrier**¹⁴ that will be difficult to pass.

- ¹buying and selling of shares
²a large number
³being bought and sold
⁴big increases in value
⁵famous companies that are profitable in good times and bad
⁶rising level of prices
⁷highest level ever
⁸end of the working day
⁹started the day
¹⁰increasing by
¹¹ending the day higher
¹²feelings are optimistic
¹³to pass the 'round' number of ...
¹⁴an important level, but one that is not easy to get through

C

... and bad



There was **panic selling**¹ on the New York Stock Exchange today as share prices fell to new five-year **lows**² in a massive **sell-off**³. We've seen some very big **declines**⁴, with billions of dollars **wiped off**⁵ the value of some of America's best-known companies, and more than ten per cent of total **market capitalization**⁶, **closing down**⁷ 1,095 **points**⁷ at 10,072.

The **bear market**⁸ seems set to continue, with more **falls**⁹ in the next few days. Dealers are still very **bearish**¹⁰: there is no sign of a **rally**¹¹. If prices continue to fall, we may be looking at a real stock market **collapse**¹² or **crash**¹², like the ones in 1929 and 1987.

- ¹selling shares at any price
²lowest level for five years
³selling
⁴decreases
⁵taken off
⁶the total value of shares on the market
⁷ending the day lower
⁸falling level of prices
⁹decreases
¹⁰pessimistic
¹¹prices starting to rise again
¹²very serious drop in the value of shares, with very serious consequences