

Some Facts about the 1929 Stock Market Crash

Dow-Jones Industrials Index Average of Lows and Highs for the Year

1922	91.0
1923	95.6
1924	104.4
1925	137.2
1926	150.9
1927	177.6
1928	245.6
1929	290.0
1930	225.8
1931	134.1
1932	79.4

On September 3, 1929, the Dow Jones Industrial Average reached a record high of 381.2. At the end of the market day on Thursday, October 24, the market was at 299.5 — a 21 percent decline from the high. On this day the market fell 33 points — a drop of 9 percent — on trading that was approximately three times the normal daily volume for the first nine months of the year. By all accounts, there was a selling panic. By November 13, 1929, the market had fallen to 199. By the time the crash was completed in 1932, following an unprecedentedly large economic depression, stocks had lost nearly 90 percent of their value. (Stocks did not recover to 1929 highs until 1954).

Wednesday, October 23, 1929

Market tumbles. The Times headlines (October 24, p.1) said "Prices of Stocks Crash in Heavy Liquidation." The Washington Post (p. 1) had "Huge Selling Wave Creates Near-Panic as Stocks Collapse." In a total market value of \$87 billion the market declined \$4 billion — a 4.6% drop. If the events of the next day (Black Thursday) had not occurred, October 23 would have gone down in history as a major stock market event. But October 24 was to make the "Crash" of October 23 become merely a "Dip."

Thursday, October 24, 1929

Black Thursday: a 12,894,650 share day (the previous record was 8,246,742 shares on March 26, 1929) on the NYSE. The market falls 33 points — a drop of 9 percent — on trading that was approximately three times the normal daily volume for the first nine months of the year. By all accounts, there was a selling panic.

Friday, Oct. 25

Market recovers some of the losses and trades up.

Monday Oct. 28

Stocks again went down on Monday, October 28. There were 9,212,800 shares traded (3,000,000 in the final hour).

Tuesday, October 29

Black Tuesday. "Stocks Collapse in 16,410,030 Share Day". Stocks lost nearly \$16 billion in the month of October or 18% of the beginning of the month value. Twenty-nine public utilities (tabulated by the New York Times) lost \$5.1 billion in the month, by far the largest loss of any of the industries listed by the Times. The value of the stocks of all public utilities went down by more than \$5.1 billion.

November 13, 1929, the market had fallen to 199

In **December 1929**, many expert economists, including Keynes and Irving Fisher, felt that the financial crisis had ended and by April 1930 the Standard and Poor 500 composite index was at 25.92, compared to a 1929 close of 21.45.

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