

# **FINANCIAL DISASTERS**

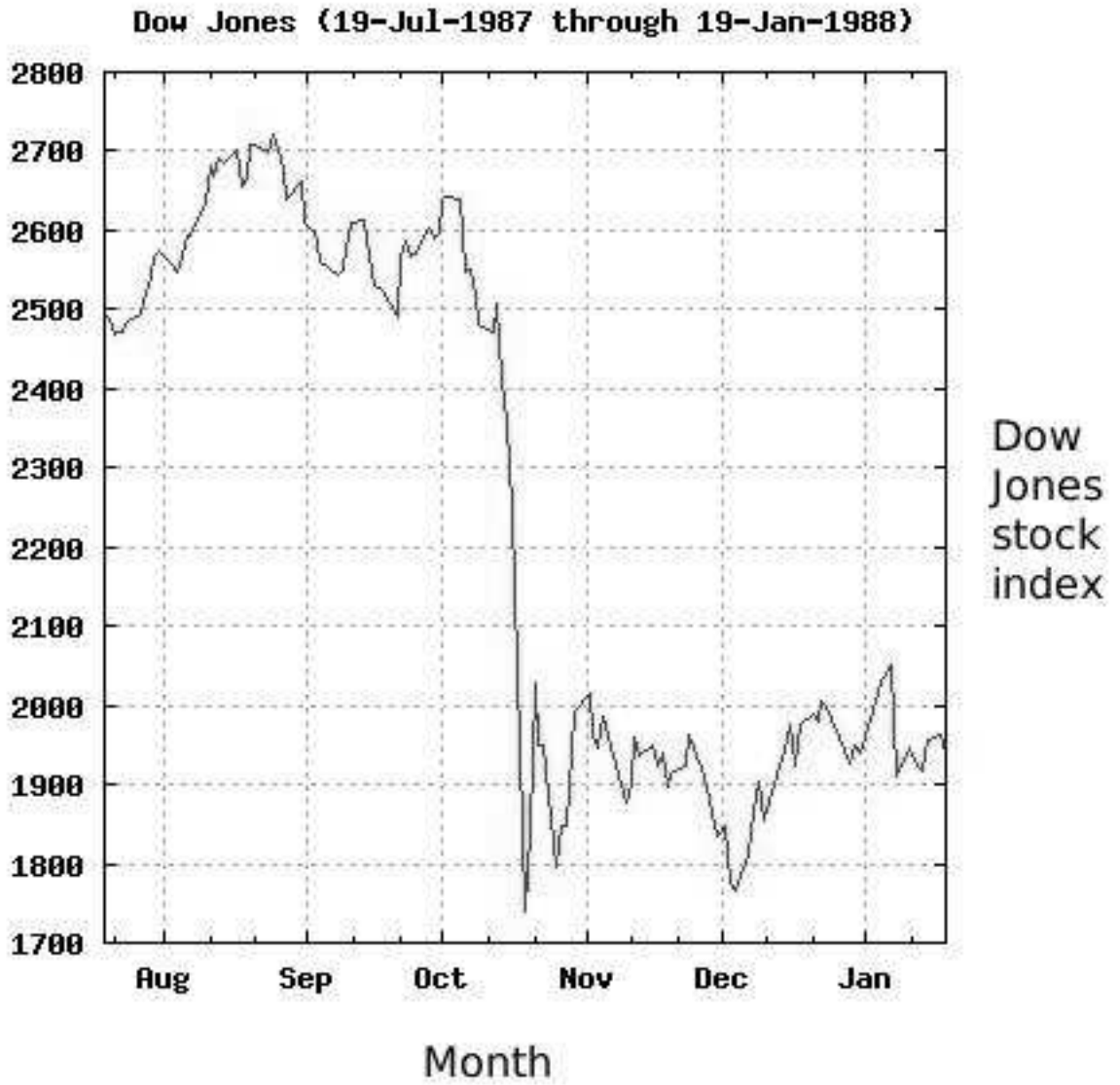


Figure 1: Black Monday crash on 19 October 1987. The Dow Jones stock index crashed down by 22.6 percent (by 508 points). Overall the stock market lost \$0.5 trillion.

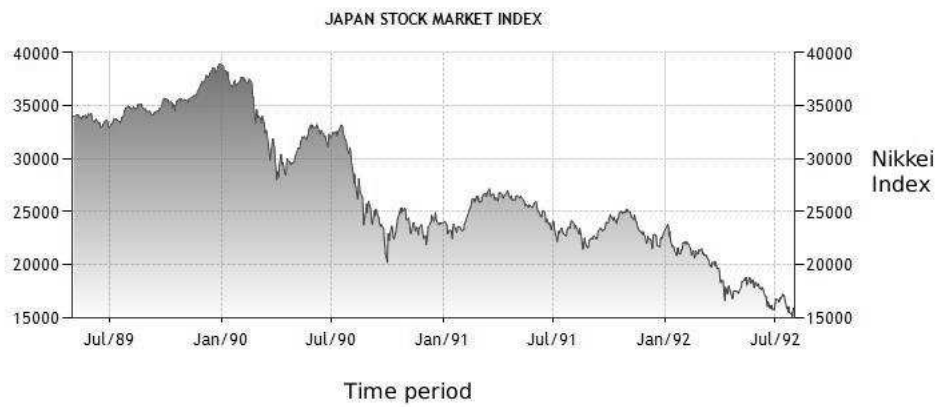


Figure 2: Japan stock price bubble near the end of 1989. A loss of \$2.7 trillion in capital. A recovery happened after mid-1990.

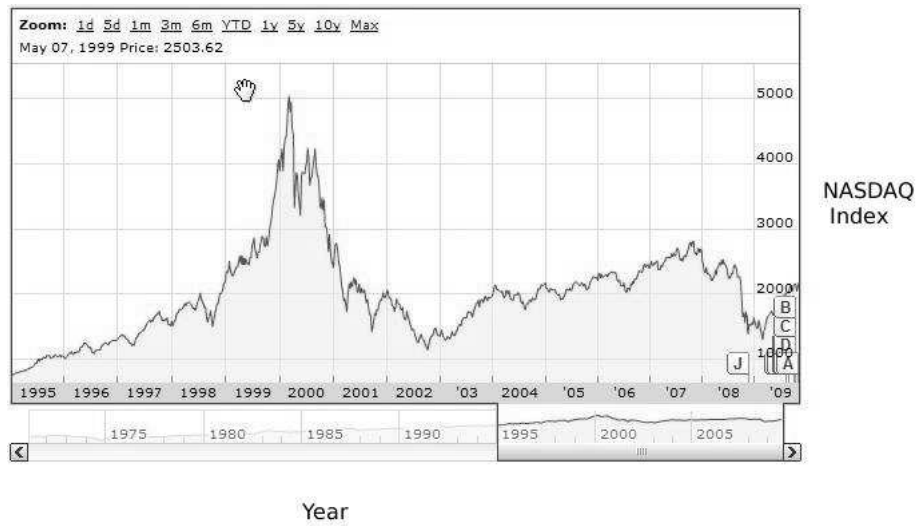


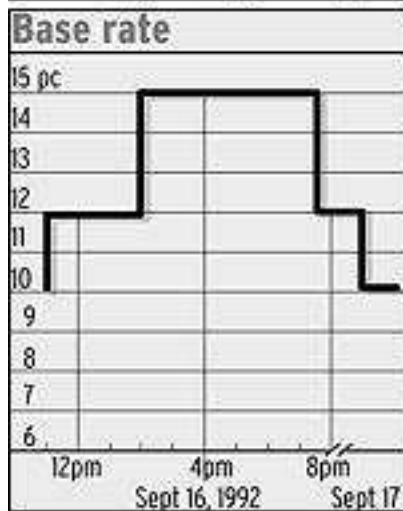
Figure 3: Dot com bubble (the NASDAQ index) during 1999 and 2000. The bubble burst on 10 March 2000. The peak on that day was \$5048.62. There is a recovery after 2002. Never recovered to attain the peak.



Figure 4: Asian financial crisis (Asian dollar index) in July 1997. Not fully recovered even in 2011.



Exchange rate of DEM/GBP



UK Interest rate

Hour

Figure 5: Black Wednesday crash of 16 September 1992. Top image shows the exchange rate of Deutsche mark to British pounds. Bottom image shows the UK interest rate on the day.