

Wall Street partly bounces back from 1,000-point drop

By Susan Tompor (excerpt)
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The technical term on Wall Street for the latest insanity is "correction." But everyday investors have other words for Monday's intensified fall out, such as "Holy 401(k)."

As much as the experts say don't panic, it's hard not to wonder what's going on here when the Dow Jones industrial average plunged in minutes and lost about 975 points or 5.6% on Monday. Monday's fast-and-furious selloff gave many investors one of those creepy feelings that can easily bring to mind days like the 1987 market crash or the 2010 flash crash.

Shortly after the opening bell at 9:30 a.m., the Dow didn't take long to lose more than 1,000 points at a given moment on Monday. For investors, it was a long morning but one where the stock market, while down, did rebound beginning around 10 a.m. or so.

Around 10:55 a.m., the Dow Jones Industrial average was down 508.6 points or down 3.09% to trade at around 15,951.15 points on Monday morning.

By noon, the Dow Jones Industrial average was down 220.52 points or 1.34% to trade around 16,239.23 points.

After 2:30 p.m., the Dow was down 352.76 points or down 2.14% to trade around 16,106.99 points.

Correction? It's hard to use unemotional, technical terms and focus on what's been a 10% fall out for the Dow from May to last Friday. After all, we quickly saw another 5% or 6% meltdown at one point for the Dow on a Monday morning. ...

...Stock market experts noted that investors had not seen a 10% correction for the Standard & Poor's 500 index in about four years. Realistically, it's fairly common to see a 10% drop in stocks about every 18 months or 20 months or so.

Given that we've had things pretty easy for a while, some experts said the sell-off could be worse here.

"A steeper and more protracted selloff is to be expected now that it is underway," said David Kudla, CEO and chief investment strategist of Mainstay Capital Management in Grand Blanc.

Kudla said he does not see the beginning of a disastrous bear market here, though. Instead, he views this as a "much needed correction in an ongoing secular bull market." ...

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