Coding Large Daily Financial Market Moves

Data Construction Guide

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Overview

This Guide explains how we characterize the proximate triggers of large daily moves (“jumps”) in national equity markets, government bond markets, and currency markets.

• We use next-day newspaper articles as source material to characterize the jumps (or same-evening articles in some cases in the internet era).

• The objective is to accurately characterize and code the journalist’s explanation and interpretation of the jump.

• This Guide first reviews our process for finding suitable next-day Wall Street Journal articles in ProQuest. It then considers the process for other newspapers.

• Most of this Guide explains the criteria and methods we use to code the explanation and interpretation of the jump offered in the next-day newspaper article.
Basic process (for the Wall Street Journal)

Variations for other newspapers, countries & periods

Category definitions and example articles

Coding FAQs

The research team
Step 1: Get to the Proquest Page

- Go To: http://libguides.stanford.edu/az.php?a=p
- Click on “Proquest Historical Annual Reports”
Step 1: Get to the Proquest Page, cont

• Click on the Proquest icon
Step 2: Choose the publication

• Click “Publications” among the tabs above the search bar
Step 3: Search for publication
### Step 4: Choose publication

**For post-1984 articles**

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**For pre-1984 articles**

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<td></td>
<td>Place of publication:</td>
<td>New York, N.Y.</td>
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</table>
Step 5: Search within publication

• Click “Advanced Search”
Step 6: Enter the Search Criteria

- The appropriate search terms depends on the asset class
  - To enter multiple search terms, use the “OR” operator
- Foreign Exchange: “dollar” (or the currency of interest), “exchange rate”

- The figure below shows how you would enter the bond market search terms on Proquest:
Step 6: Enter Search Criteria, cont

- Set date range to “On this date…” and enter the day after the jump date in the drop down boxes

- Click “search”
Basic process

**Article selection procedure**

Variations for different newspapers and periods

Category definitions and example articles

Coding FAQs

The research team
Selecting an Article

- After completing Steps 1-6, you will be presented with a list of articles
- This sub-section outlines the procedure for selecting articles from this list to code
Basic Procedure

Starting from the first article given, read the first article that:

• Has the Search terms in the title, and/or
• Has relevant terms in the title/summary, and/or
• Mentions the percentage rise or fall in the index in the title, and/or
• Mentions the previous day’s index action

In this case any of the three is likely a good article. Read the first and if you are still unsure, move on to the second.

1. **Industrials Thunder to New High With Record Jump of 43.41 Points**
   ... The stock market defied predictions of a post-election... ahead as the Dow Jones Industrial Average crashed through its previous record.
   Citation/Abstract  Full text - PDF (94 KB)  find it

2. **Surge in Securities: Rally in Bond Market Helps Push Stocks Up To Still Another High Sign of Lower Interest Rates And Relief Over Election Spur Purchases of Shares Economic Problems Persist Surge in Securities: Bonds’ Rally Helps Push Up Stocks to a Record**
   ...the bond market rose yesterday and helped push the usually more volatile stock.
   Citation/Abstract  Full text - PDF (190 KB)  find it

3. **Industrials Soar to Record 1065.49 on Buying Stampede As Institutions Pour Their Cash Reserves Into Stocks: Surge Is Also Seen Reflecting Belief Results of Election Won’t Change Policies**
   ...buying stampede that sent the Dow Jones Industrial Average soaring a record.
   Citation/Abstract  Full text - PDF (103 KB)  find it
In other cases you may have to search further down to find a good article. Here, article #8 seems to talk about stocks and stock markets, but doesn’t really mention the previous day’s movement, while #13 clearly declares what happened, and can be expected to give a better explanation in the article.
These articles are both good because they tell us what happened on the stock market, and even say why, or hint at why the movement occurred.

This looks like it might be helpful, but it’s actually a summary column that contains a list of the averages every week, rather than an actual article about the market movement.
When the Basic Procedure Fails

If none of the search terms, index terms, mention of the rise or fall, or mention of the previous day’s market action appear, then:

– Read the summaries/abstracts
  • Example: “What’s News” column in the WSJ
  • Example: “Morning MarketBeat” blog published in online edition of WSJ
– If you still can’t find a suitable article, then enter “No Article Found” in the Main Category field of the template.
  • Especially in recent decades, it’s rarely the case that there is no suitable article in the WSJ.
Articles to Avoid (if possible)

• Avoid summaries, abstracts, digests, etc. (articles <300 words)
• Avoid articles that talk exclusively about futures markets (e.g., futures on the S&P 500 futures). It’s fine to use an article that mentions futures markets, if it also describes what happened in the underlying market itself on the jump date.
• Avoid articles that are exclusively published in the online edition of the paper (ex. Morning MarketBeat blog published on WSJ online)
  – If there are no other articles available, and these articles contain some information about the jump, it is better to use these articles than to leave the coding as “No Article Found”
Summary Article Example

Dow Rises, But October Was Brutal


With one trading day left in October, the month is shaping up to be among the worst and most volatile in stock-market history.

The market rose Thursday despite government data that showed the economy had shrunk for the first time in seven years, but it remains down 15.4% for the month, as measured by the Dow Jones Industrial Average. That would make October the 11th-worst month in history and the worst in 21 years.

The credit crisis and worsening economy has led to wild price swings during the month. The average daily range from low to high has been 605.51 points. The index hasn't had two consecutive daily gains all month, and it has had 16 down days, the most since August 1973, during a grinding bear market.

The market had a relatively benign day Thursday, with the Dow industrials rising 189.73 points, or 2.1%, to close at 9180.69. A rally that began in Asia and continued in Europe pulled the market higher as officials around the world took further steps to stabilize the ailing global financial system.

This is a poor article, as it mostly summarizes what happened in October. In the 4th paragraph, it explains that the Thursday move was the result of moves to “stabilize the ailing global financial system”, which is vague.

Good articles focus mainly on the previous day’s move, although they may also contain remarks about market behavior in the preceding days, weeks or months. Do not use articles that contain no information about the reason for the market move on the jump-day itself.

*Keep in mind that we are coding journalist interpretations of one-day jumps. We are NOT coding journalist interpretations of market moves over longer periods of time.*
Article Timing

• If the jump date is a Friday or Saturday, you may need to check Monday’s paper for a “next-day” article.

• The dissemination speed of newspaper articles has changed over time:
  – Historically, news about a market move would be published in the next day’s newspaper.
  – From the early to mid 2000’s, the rise of online content led to the publication of same-day articles.
    • Articles first published online the evening of the jump date (after the market close) can provide a suitable basis for coding.
    • Articles published on the same date before the close are not suitable.
Same-Day Article Example

Stocks Get a September Pop
Dow Jumps 254.75 as Historically Turbulent Month Has Best Opening Since ’98

By Jonathan Cheng
Updated Sept. 1, 2010 11:16 p.m. ET

• This is an article describing the jump on 9/1/2010 – note that it was released the same day, but after the market closed at 11:16 PM (Trading Hours are 9:30-4:00 EST)
• When using same day articles, double check that they are referring to the jump of interest. You can do this by comparing the size of the S&P 500 move in the coding template to the size of the market move described in the article. When they differ by a lot, it likely means that you have not identified an article about the market move on the correct date.
Same-Day Articles about Stock Market Jumps

- Avoid articles published before the stock market closes on the jump date in question.
  - US stock markets typically close at 4pm Eastern Time.
  - Online newspaper articles are often published while the market is open, e.g., to discuss the market’s reaction to an economic report or new development. These articles are unsuitable for coding the jump, because they are written before the market closes.
  - Articles posted online after the market closes (e.g., in the evening) are candidates for coding the jump that occurred on that date.
  - When coding equity market jumps for other countries, find out when the market close before you start selecting articles.
Article Timing for Jumps in Bond and FX Markets

To identify jumps in bond and currency markets, we measure yields and rates at a specific point in time on each date:

- 4:00pm Eastern Time for the exchange rate between the U.S. Dollar and the Great British Pound.
- 4:30pm London Time for the U.K. 10-year bond rate.
- Keep these times in mind when selecting articles to code bond and currency market jumps. For example, if you are coding a jump in 10-year US Treasuries on January 10, seek articles published online in the evening of January 10 or, in the pre-internet era, the morning of January 11.

Details: All exchange rate series from Global Financial Data (GFD) are computed at 4:00pm Eastern Time
All Federal Reserve Economic Data (FRED) series are computed at 4:15pm Eastern Time, we use FRED for the U.S. Treasury Bond yields and the trade-weighted U.S. dollar index (DTWEXM)
All UK bond and stock series from GFD at computed at London Close, 4:30pm London Time
Jump Thresholds for Bonds and Exchange Rates

• The jump threshold for 10-Year U.S. and U.K. Government Bonds is a $|\text{relative yield change}| > 0.04$ OR $|\text{yield change}| > 20$ basis points
  – For example, a move from 3% to 3.2% is a 20 basis point increase

• The jump threshold for the U.S. Trade-Weighted Exchange Rate and the USD-GBP Exchange Rate is a $|\text{relative change}| > 0.015$
Consulting Multiple Articles

• Sometimes the first article you read about a particular jump may not provide enough information to code the jump.

Consult another article:
• When the first article is not really about the jump in question.
• When it offers no explanation for the jump. Note: explicitly saying that no one knows what caused the jump, or that the cause is uncertain, is a sufficient basis for coding the jump. In such cases, code the Primary category as “Unknown or No Explanation Offered.”
• When the first article is vague on details that are important for distinguishing between jump categories.
Consulting Multiple Articles (continued)

Do not conflate two separate articles in the codings you enter into the Excel spreadsheet. Instead, the codings you enter should always be based on a single article. If you cannot decide which of two articles provides the best basis for coding a particular jump, then code each article separately in two separate records.

The next slides provide examples where consulting a second article is useful for coding a given jump.
The journalist asserts that the Treasury Department’s plan was what moved the stock market, but does not explain whether the new plan involves an injection of government funds (which would be coded as Government Spending) or the shifting of losses to private-sector creditors (which would be coded as Other Policy).

After reading this article, and seeing the vague description of the Treasury Plan was, it’s appropriate to consult a second article.
This is a second article from the Wall Street Journal discussing the details behind the Treasury Plan to remove toxic assets from banks balance sheets. It explains that the government would “offer lucrative subsidies and shoulder much of the risk, which would confirm the category as Government Spending.

In this example, Article 2 provides a good basis for coding the jump.
Consulting Second Article: Example 2

• The first article consult for the jump on 6/29/2010 is mostly a description of what happened. The journalist makes no claim on what caused the jump.

Volatility returned to global financial markets with a vengeance in the second quarter, sending investors fleeing from stocks world-wide and driving them into defensive investments, especially U.S. Treasurys and gold.

• A second article explicitly links the move to the disappointing consumer confidence numbers. So, the right approach is to use the second article to code the Primary Category as Macroeconomic News & Outlook.

Markets were already weaker in Asian and European trading, and got an additional knock early in the U.S. trading day from a dismal reading of consumer confidence. This fanned
Storing Articles

• If you consult multiple articles, make sure you store all of them.
• Use the naming convention YYYY_MM_DD_a1, YYYY_MM_DD_a2, etc.
• Each coding should correspond to exactly one article
• Make sure you copy the title exactly as you find it in the article (no abbreviations, no partial titles, etc.)
What to do if unsure about which article to code?

- If you are unsure about the suitability of a particular article, or which among multiple articles to select, consult Marco, Scott, Steve or Nick for advice.
- Do not consult other coders, because we don’t want coders to collaborate in the selection of articles.
Basic process (for the Wall Street Journal)

Variations for different newspapers and periods

Category definitions and example articles

Coding FAQs

The research team
Financial Times (For US-UK Exchange Rates) – Post 1998

Go to the Jackson Library Database page
(http://libguides.stanford.edu/business-databases)
Updated Link: http://libguides.stanford.edu/az.php

*Business Databases, A-Z

Quick Link: Business Databases, By Topic

A

ABI-INFORM Global
Full-text business/management articles.

Access World News
Provides full-text news from U.S. and international sources. Also known as NewsBank Access World News.

AdSpend
Advertising expenditures across various media. Quick Guide

Alliance for Audited Media
From The New Audit Bureau of Circulations. Provides publishers’ circulation, readership, and website activity.

Amadeus (under "Bureau van Dijk" via WRDS)
For current Stanford community
European public & private company information.

Audit Analytics
For current Stanford community with personal login
Request a personal login, contact Tom Hardy (thardy@vesinc.com, 508.476.7007 x 228) via your Stanford email.
Auditor information, sarbanes-oxley disclosures, compliance disclosures, and corporate governance. Includes Advanced

Related
- Restricted Sources - Inquire login info at i-Desk of Business Library.
- Excel Download in Databases
- Financial Databases Comparison
- Citation Tools Comparison
- How to Create Durable Article Links

Ask Us

For Stanford community and Stanford GSB alumni
9am-5pm PST weekdays

Chat With Us
Financial Times (For US-UK Exchange Rates)

Find your way through:
- Europe/UK
- UK
- England
- National
Financial Times (For US-UK Exchange Rates)

Select the Financial Times

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Financial Times (For US-UK Exchange Rates)

Enter search terms and date

[Image of search interface]

Financial Times (1 source)

- All Text
- Date

Sort by: Newest First

Search

To find an exact match or phrase, use quotes. Custom date example: Jan 1, 2000 - Feb 3, 2000.
Financial Times (For US-UK Exchange Rates) – Pre 1998

Go to the Jackson Library Database page (http://libguides.stanford.edu/business-databases)
Financial Times (For US-UK Exchange Rates) – Pre 1998

Enter in search terms and date
Basic process (for the Wall Street Journal)

Variations for different newspapers and periods

Category definitions and example articles

Coding FAQs

The research team
## Categorizing the Jumps

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<td>Taxes</td>
<td>Corporate earnings &amp; outlook</td>
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<td>Foreign Stock Markets</td>
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<td>Terrorist attacks &amp; large-scale violence by non-state actors</td>
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<td>Elections &amp; Political Transitions</td>
<td>Other non-policy (specify)</td>
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<tr>
<td>Other policy (specify)</td>
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The next few dozen slides provide category definitions and coding instruction, along with example of how to code the categories for actual news articles.
Macroeconomic News and Outlook

News relating to macroeconomic conditions, forecasts or reports such as inflation, housing prices, unemployment, employment, personal income, industrial production, manufacturing activity, etc. Also included are the following:

- News about credit conditions and financial crisis developments that does not fall into another category such as Monetary Policy and Central Banking.
- News about trade matters (trade surplus/deficit) and exchange rates NOT due to policy developments.
- Articles that attribute stock market moves to a shift in sentiment about the macroeconomic environment, even when the article does not point to a specific piece of news about the macroeconomic outlook.
The Primary Category is Macroeconomic News and Outlook, because the article claims that rising interest rates “helped send the stock market...”, and there is no mention of a monetary policy action that triggered the rise in rates. Journalist Confidence is High, because the article asserts clearly and without qualification that rising rates helped send the market lower. Ease of Coding is Easy.
The Primary Category is Macroeconomic News & Outlook, because the article says the market rose on Friday in response to an employment report that—though bad—was better than expected. Journalist Confidence is Medium, because the article begins by explaining what should have pushed the market in the other direction.
THE WALL STREET JOURNAL.

Monday’s Markets
Recession Fears Send Blue Chips Down 269.50 --- Nasdaq and S&P Slide Further In Stocks’ Third Straight Session Of Heavy Losses; Bonds Rise Again
By E.S. Browning
1022 words
6 August 2002
The Wall Street Journal
C1
English
(C) 2002, Dow Jones & Company Inc.

THE STOCK MARKETS’ latest obsession -- the risk of a double-dip recession -- pushed the Dow Jones Industrial Average down more than 3%, its second-sharpest percentage decline of the year, and sent the Nasdaq Composite Index to its lowest close in more than five years.

It was the third consecutive session of heavy losses, which now have taken away most of the 13% rally the industrial average enjoyed at the end of July, and have erased all of the 10% rebound in the Nasdaq.

When the buyers were in charge, late in July, hopes spread that the worst of the bear market was over. That optimism was shattered by news last week that the government had overstated the economy’s strength and was revising its numbers. Then manufacturing activity came in weaker than expected and so did employment. Yesterday came another jolt. Last month’s activity in the service economy, representing more than half of all economic activity, was weaker than expected.

In July, Federal Reserve Chairman Alan Greenspan reassured Congress that the economy was stronger than the doubters feared. Now, fears are spreading that a second dip into recession, which seemed an outside risk just two weeks ago, might not be so unlikely.

“Greenspan’s testimony was pretty bullish. It is very unusual for Greenspan to be caught off base like that,” said Alfred Kugel, senior investment strategist at Chicago money-management firm Stein Roe Investment Counsel. “You feel like asking, did anyone know about this or did they just forget to tell him?”

For the day, the Dow industrials fell 3.24%, or 269.50 points, to 8043.63. Of the 1,034 points that the industrial average rose from July 23 through July 31, only 341 points remain. The industrial average is down 20% since the year began and is 32% off its record close, hit in January 2000.

The Primary Category is Macroeconomic News & Outlook, because the article claims that the reason for the market drop was fears of a double-dip recession. Journalist Confidence is High, because the article clearly declares that the fear of recession was the cause for the move. Ease of Coding is Easy.
THE WALL STREET JOURNAL.
DJIA Falls 337 Points, Led by Intel

**Abstract (summary)**

Stocks finished lower Friday after seesawing throughout the day, capping a second straight week of declines amid new evidence that consumer spending is pulling back in a slowing global economy.

The Dow Jones Industrial Average closed down 337.94 points, or 3.8%, at 8497.31, wiping out more than half of Thursday's gains. The blue-chip average was off 5% for the week and down nearly 9% for the first two weeks of November.

"There's still a tremendous amount of nervousness out there," said trader Anthony Conroy, of BNY ConvergEx, a New York brokerage. "No one is looking for a broad rally while the economy is looking the way it is."

The stock market opened lower Friday morning after the Commerce Department reported that retail sales fell 2.8% in October, the fourth straight decline and the biggest drop since records began in 1992. An attempt to rally fizzled as several retailers lowered their forecasts for the remainder of the year.

There was a brief move into positive territory after Treasury Secretary Henry Paulson said on CNBC that he has grown more confident about the U.S. financial system. But the slide quickly resumed and picked up speed as the end of trading approached.

The Nasdaq Composite index fell 5% Friday, and 7.9% for the week, amid concerns about tech spending.

Intel was the biggest decliner among the 30 Dow components, down 7.7%, followed by Home Depot, off 7.6%.

The Standard & Poor's 500-stock index fell 4.2% Friday to 873.29, down 6.2% on the week. All its sectors declined Friday. Nordstrom shares fell 9.4% after it issued guidance below analyst expectations.

As investors fled stocks Friday, they gobbled up long-term Treasurys. The yield on the 30-year bond fell to 4.230% as the price jumped. Gold futures rose 5.3% to $742.40 an ounce.
The Primary Category is Macroeconomic News & Outlook, because the highlighted passage implicitly attributes the stock market drop to a deterioration in views about the macro outlook, according to “Traders” view of "investors.: Journalist Confidence is Low, and Ease of Coding is Medium.

Iseq sheds almost 5% on 'pretty grim' trading day


WHILE DIRECTORS of AIB may have been having a day they’d like to forget at the company’s annual general meeting (agm) in Dublin, it was a similar day at the city's stock exchange.

In a day that one trader described as "pretty grim" throughout the Iseq index losing 117.06, or 4.48 per cent, to close at 2,493.68.

AIB directors felt the wrath of shareholders in Ballsbridge but the bank’s share price was far from the worst performing financial in Dublin. That dubious honour went to Irish Life & Permanent which was off 19.4 per cent to close on [euro]2.20. Bank of Ireland was down below [euro]1.00 at the close, shedding 18.7 per cent of its value to finish at [euro]0.95. AIB did not escape unscathed and was down 14.44 per cent to [euro]0.877.

Traders said that investors were exiting cyclical stocks, which see a fall in revenue during a recession, in favour of defensive ones and as a result the Irish financials fell out of favour. One broker noted that international hedge funds, which had been buying into the banks in recent weeks, were absent from the market.

The souring of sentiment towards cyclicals hit the construction sector. Building supplies group Kingspan was down more than 10 per cent to [euro]3.85, in advance of this morning's agm and release of a trading statement. DIY player Grafton was down 9.75 per cent to [euro]2.50, while market heavyweight CRH fell 3.75 per cent to [euro]16.95.

Europe's largest supplier of insulation and roofing materials, SIG, had earlier said like for like revenue so far this year fell 18 per cent on a constant currency basis.

One of the bright spots was cider maker C&C which traded up 1 cent to [euro]1.95. Brokers said the company's "story is gaining traction" and a road show by its new management team was helping to spread the word.
Government Spending

News reports, forecasts, or concerns about government spending and its consequences, including spending matters related to stimulus programs, publicly funded pensions, social security, health care, etc.
The Primary Category for this article is Government Spending, because the first reason listed for the stock market plunge is the rejection of the government’s bailout plan. The bailout plan itself involves the government spending money to help the economy, and even though it is a rejection of the plan, it is still coded as Government Spending.
Dow Takes Giant Leap As Bailouts Snap Gloom
By E.S. Browning and Annelena Lobb
1444 words
14 October 2008
The Wall Street Journal
J
A1
English
(Copyright (c) 2008, Dow Jones & Company, Inc.)

Corrections & Amplifications
The annual yield on the one-month Treasury bill on Tuesday was 0.071%, down 0.010 percentage point from Friday, according to Ryan ALM. A chart accompanying a Wednesday page-one article on the credit markets in some editions incorrectly gave the yield as 0.71%.

(WJS October 16, 2008)

(END)

Last week's gloom turned into euphoria as investors sent the Dow Jones Industrial Average up 11%, the biggest one-day gain since 1933. It was the fifth-largest percentage gain ever, and it came immediately after an 18% weekly decline, the worst such drop in the Dow's 112-year history.

The head-snap shift in sentiment was spurred by global plans for governments to rescue banks through direct capital injections, left investors debating whether this marked the end of the past year's frightening bear market, or just a temporary respite.

History tells a mixed story of rallies like Monday's. Of the five past one-day gains of 10% or more, two marked the end of bear markets, in 1987 and 1933. But three -- in 1929, 1931 and 1932 -- proved short-lived, and were followed by further declines. Because of that, market historians were reluctant to make definitive judgments about the one-day event.

"We don't know yet whether the bear market is over, but we do know about the medium term," says Phil Roth, chief technical market analyst at Wall Street brokerage firm Miller Tabak + Co. "This is a big clean-out, so we will get some recovery here now."

"People can say, 'Whew, we survived the financial crisis.' But then we have the issue of the recession, and we don't know how deep that will be," he says.

The Dow surged 936.42 points to 9337.61, its largest one-day point gain ever. Monday's session ended eight consecutive trading days of losses, and wiped out almost all the blue-chip index's losses from the last three days of last week. The Dow finished just below Tuesday's close.

The Primary Category for this article is Government Spending because it mentions government plans to inject funding into the economy. It receives a Medium or Low coding for Journalist Confidence, because there is only a small reference to the plan actually being the cause of the shift.
The Primary Category for this article is Government Spending, because the “plan to clean up the nation’s banks” involves the government spending money to buy the troubled assets. It emphatically states that the government is planning to buy up troubled assets from banks, so the Journalist Confidence is High.
The Washington Post

Financial Rescue Rally, Day 2; Investors Bet Big on Plan To Revive Financial System

Renee Merle
Washington Post Staff Writer
556 words
20 September 2008
The Washington Post
WP
FINAL
D01
English
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Wall Street’s tumultuous week, which included the disappearance of two major investment firms and the rescue of the nation’s largest insurer, culminated with a nearly 400-point rally yesterday as the government laid out a financial rescue plan that could cost hundreds of billions of dollars.

The Dow Jones industrial average, which jumped between massive losses and gains this week, closed up 368.75 points, or 3.35 percent, at 11,388.44. That is on top of a 410-point gain Thursday after news of a government rescue effort emerged, and it brings the index near break-even for the week – despite Monday’s 600-point loss and Wednesday’s 450-point loss.

The technology-heavy Nasdaq composite index gained 74.80, or 3.4 percent, closing at 2273.90. The Standard & Poor’s 500-stock index rose 48.57, or 4.03 percent, to close at 1255.08. After also taking massive losses in recent days, the Nasdaq and S&P ended the week in positive territory.

Global markets also closed higher. European stocks rose on the order of 5 to 9 percent, while Asian markets added 4 to 9 percent.

“It’s the craziest week I have ever seen, and I have been doing this since 1983,” said Art Hogan, chief market analyst at Jefferies & Co. “We have some household names that don’t exist anymore -- Lehman, AIG. In real terms, Fannie and Freddie no longer exist as we knew them.” The government seized control of the mortgage giants Fannie Mae and Freddie Mac two weeks ago.

The government said yesterday that it would lift the financial sector by taking on bad debts held by troubled banks, propping up money-market mutual funds, and temporarily banning short-selling of financial stocks.

Journalist Confidence is Medium, because the author writes “as the government …” not because “the government …” The Secondary Category is Monetary Policy and Central Banking, because another part of the plan involves “propping up money-market funds,” which is an “extraordinary action by the monetary authority in response to bank runs, systemic financial crisis …” See the definition of MP and Central Banking.
Taxes

News reports, concerns or events related to current, planned, or potential tax changes (e.g., income tax hikes, payroll tax cuts, corporate tax reform, sales tax change, etc.) and their consequences.
The stock market continued to surge yesterday, capping an exhilarating week in which both prices and trading volume reach record levels.

The Dow Jones industrial average climbed a further 30.72 points, finishing the trading session at 869.25. For the week, the blue-chip average was up 81.24 points. Trading volume for the day was 95.9 million shares, bringing the week’s volume on the New York Stock Exchange to 455.1 million shares.

"We are embarked on a huge bull market," said Howard Winell, executive vice president of Boston Research Associates, a New York financial analysis firm. Prime Cut Third Time in Week

The day began on an optimistic note as investors welcomed the passage by Congress of the $96.3 billion tax bill that President Reagan has said was necessary to reduce interest rates and insure economic recovery.

Trading was buoyed further as major banks cut their prime lending rate for the third time this week, reflecting the increased availability of funds in the banking system. The new level in this benchmark rate, 13 1/2 percent, is the lowest since October 1980. Reports of a pending solution to refinance some of Mexico’s bank debt, which has threatened the international financial system, added to the optimism.

The Primary Category for this article is Taxes, because it describes the new tax bill as causing the positive outlook. This article would receive a Medium coding for Journalist Confidence, because there is no explicit claim that the tax bill’s passage triggered the jump.
The Primary Category for this article is Taxes, because it claims directly that if anything could be cited as a reason it would be the tax bill that was passed. Journalist Confidence is Low, because the author hedges as to the reason for the jump, saying if any one reason could be cited it “must have been the “tax features …”
The Primary Category for this article is Taxes, because it declares that the House's stock sales tax caused the market to break. Journalist Confidence is High, and Ease of Coding is Easy, because the reason is clearly stated early on, and the article is straightforward.
Journalist Confidence is Low, because of the following passages: “There wasn’t a single catalyst…,” “traders said”, and “No one can be sure…”. As this example illustrates, we equate the “Primary” Category to the most important one (according to the article), even when there is no single main factor behind the jump.
Monetary Policy and Central Banking

Actions, possible actions, and concerns related to the conduct and policies of the central bank or similar authority. Such actions and policies pertain to interest rate changes and monetary policy announcements, inflation control, liquidity injections by the monetary authority, changes in currency-gold convertibility under a gold standard, changes in reserve requirements or other bank regulations used by the monetary authority to exercise control over monetary conditions, lender-of-last resort actions, and extraordinary actions by the monetary authority in response to bank runs, systemic financial crisis and threats to the payments system.

Note: See discussions below for guidance on how to distinguish (a) Monetary Policy & Central Banking from Macroeconomic News & Outlook and (b) Monetary Policy & Central Banking from Exchange Rate Policy & Capital Controls.
Some news articles that discuss market reactions to macro developments also discuss the Fed’s normal response to the macro development. Generally, we code an article as Macro News & Outlook if it attributes the market move to news about the macro economy. We code it as Monetary Policy & Central Banking if the article attributes the market move to (a) shifts in how the Fed responds to a given macro development or (b) news about unexpected consequences of Fed actions.

It is helpful to approach this classification issue from a Taylor Rule perspective. Consider the following cases:
Distinguishing Monetary Policy & Central Banking from Macroeconomic News & Outlook

1. **Macro news**: The market moves because it anticipates or speculates (or sees) that the Fed will respond in its usual manner to news about the macro economy. That is, the market anticipates or speculates that the Fed will respond to macro developments according to a Taylor Rule or other well-defined, well-understood description of the Fed's interest-rate setting behavior.

2. **Monetary policy**: The market moves because of a surprise change in the policy interest rate -- i.e., a surprise conditional on the state of the macro economy. From a Taylor Rule perspective, we can think of this change as a new value for the innovation term in the Taylor rule.
3. **Monetary policy**: The market moves because of an actual or potential change in the Fed’s policy rule. From a Taylor Rule perspective, this event corresponds to an actual or potential change in the form of the Taylor Rule or a change in specific parameter values. A concrete example would be a big market response to proposals to increase the target interest rate.

4. **Monetary policy**: The market moves because of news that leads to revised views or concerns about the consequences of the Fed's actual or anticipated actions.
Distinguishing Monetary Policy & Central Banking from Macroeconomic News & Outlook

If an article fits the description for Case 1 above, code its category as Macroeconomic News & Outlook, and enter “Rules-based monetary policy” in the “Specify” field immediately to the right of the “Category” field.

If an article fits the descriptions in Items 2, 3 or 4, code its category as “Monetary Policy & Central Banking.”
The Primary Category is Monetary Policy & Central Banking, because the article claims that the Fed’s failure to cut the discount rate as expected caused the stock market to drop (“sent the stock market reeling…”). Journalist Confidence is High and Ease of Coding is Easy, because the article clearly and repeatedly lists the Fed’s failure to act as the reason for the drop.
The New York Times

STOCKS & BONDS
Business/Financial Desk; SECTC

Wall St. Embraces the Fed's Relief Efforts
By MICHAEL M. GRYNBACH, Clifford Krauss contributed reporting.

654 words
19 March 2008
The New York Times
NYTF
Late Edition - Final
4
English

Buoyed by an aggressive interest rate cut, investors sent stocks soaring to their biggest gain in five years on Tuesday. Shares of financial firms surged, for a day at least, and the Dow Jones industrial average gained 426 points.

The rally capped a week of extraordinary efforts on the part of the Fed to restore confidence in the wake of the near collapse of Bear Stearns. But while relief washed over some corners of the credit market, questions remained about the extent to which the Fed's actions would resolve the lack of willingness among financial institutions to lend to one another.

"If you look at the policy moves over the last five days, the Fed is doing the best it can out of a bad situation," said Jerry Webman, the chief economist and senior investment officer of Oppenheimer Funds. "The issue now isn't about the price of money," he said. "This is really about financial institutions' confidence in each other."

Shares of financial firms soared on the New York Stock Exchange, particularly companies that investors had fled a day earlier. Shares of Lehman Brothers fell 19 percent on Monday after it was rumored to be running out of money. On Tuesday, the firm's shares were up 46 percent, to $46.49, after reporting better-than-expected earnings for the first quarter.

The Primary Category for this article is Monetary Policy and Central Banking, because it cites the reason for the market movement as a rate cut by the Fed. Journalist Confidence is High, because the journalist clearly regards the rate cut as the reason for the jump. Ease of Coding is Medium, because the article does not directly state that the Fed is responsible for the rate cut, although it is strongly implied by the title and full article.
The Primary Category is Monetary Policy and Central Banking, because the article says "U.S. stock prices rallied because of government efforts..." Later, it makes clear that the main part of those efforts involved cash infusions by central banks around the world. While the article is not explicit on the matter, the most natural reading of this passage is that central banks engaged in expansionary open market operations. Journalist Confidence is High, because the article strongly attributes the rally to these interventions.
Exchange Rate Policy and Capital Controls

News reports, forecasts, concerns and speculations about currency market interventions, currency devaluations and revaluations, official efforts to jawbone a currency value up or down, a shift to a new exchange rate regime, a policymaker decision to create or dissolve a currency union, and controls on international capital flows.

Notes:

• Because monetary policy actions have implications for exchange rates, it can be challenging to judge whether certain jumps are best coded as Monetary Policy & Central Banking or Exchange Rate Policy & Capital Controls. See the next two slides for guidance on this matter.

• When specifying the jump category as Exchange Rate Policy & Capital Controls, you should also enter “Monetary Policy”, “Capital Controls” or “Other” in the “Specify” field immediately to the right of the “Category” field. See below for additional guidance on this matter.
Distinguishing Monetary Policy & Central Banking from Exchange Rate Policy & Capital Controls 1

For jump-triggering monetary policy actions, code the category as Monetary Policy & Central Banking unless the article says that the actual or anticipated monetary policy action is motivated mainly by exchange rate considerations.

Example 1: If an article states that domestic stock prices fell because the central bank raised its policy interest rate in an effort to defend the country’s currency value in foreign exchange markets, enter Exchange Rates & Capital Controls for the Category and “Monetary Policy” in the Specify field.

Example 2: If an article states that domestic stock prices fell on rumors that the government was printing new currency in preparation for a possible exit from a currency union, enter Exchange Rates & Capital Controls for the Category and “Monetary Policy” in the Specify field.
Example 3: If an article states that the monetary authority drained reserves from the banking sector to maintain a fixed rate of exchange against another currency (or gold), enter Exchange Rates & Capital Controls for the Category and “Monetary Policy” in the Specify field.

Example 4: If an article states that the monetary authority or other government body (e.g., finance ministry or treasury department) engaged in sterilized exchange rate interventions, enter Exchange Rates & Capital Controls for the Category and “Monetary Policy” in the ”Specify” field.
Additional Guidance on How to Treat Articles about Exchange Rate Policy & Capital Controls 1

The four examples on the previous two slides involve the use of monetary policy instruments to influence exchange rates or, in the case of Example 2, to prepare for a possible change in the exchange rate regime.

Governments also use other policy tools to influence currency values in foreign exchange markets. For example, a government may restrict, tax or otherwise discourage or penalize international capital inflows or outflows. If an article attributes a jump to an actual, anticipated or possible policy action of this sort, enter Exchange Rates & Capital Controls for the Category and “Capital controls” in the ”Specify” field.
Additional Guidance on How to Treat Articles about Exchange Rate Policy & Capital Controls

If an article attributes a jump to an actual, anticipated or possible policy action aimed at influencing the exchange rate, but the action does not fit under “Monetary Policy” or “Capital Controls”, then enter “Other” in the Specify field.

**Example 1**: If an article says the U.S. Dollar fell on news that the U.S. Treasury Secretary backs a weaker dollar, enter “Exchange Rate & Capital Controls” in the Category field for the currency jump and enter ”Other” in the Specify field.

**Example 2**: If an article says the U.S. Dollar rose in response to a multi-country accord in support of a stronger Dollar, enter “Exchange Rate & Capital Controls” in the Category field for the currency jump and enter ”Other” in the Specify field.
Additional Guidance on How to Treat Articles about Exchange Rate Policy & Capital Controls

In summary, when you code the Category for a given jump in stock, bond or currency markets as Exchange Rate Policy & Capital Controls, enter one of the following terms in the Specify field immediately to the right of the Category field:

- Monetary policy
- Capital controls
- Other
Abreast of the Market
Wall Street Journal (1923 - Current file); Jan 16, 1934; ProQuest Historical Newspapers: The Wall Street Journal

The security and commodity markets hailed President Roosevelt’s message to Congress, urging devaluation of the dollar to the 60-cent level and creation of a $2,000,000,000 equalization fund for currency management, with sweeping gains on a broad front. Successive

Welcoming Prospect of Stabilization
The performance of all the markets was proof of the constructive interpretation placed on the President’s monetary program by the financial

The big bulges in stocks came in the early dealings and in the last two hours. After it was announced that the gold price would be set at $34.45 an ounce today. The rise was led by du Pont, Case, Allied Chemical, the steel shares and Johns Manville, among the industrials. Railroad issues were strong throughout the day, led by New York Central, Pennsylvania, Delaware & Hudson and Atchison, and utilities reached the best levels in months on steady buying.

Based on these excerpts from the 1934 WSJ article, code the stock market jump as Exchange Rate Policy & Capital Controls. Enter “Other” in the Specify field, since the plan involves a change in the Dollar-Gold peg. Journalist Confidence is High. Set Ease of Coding to Easy, because the Primary Category is clearly Exchange Rate Policy & Capital Controls. It’s hard to judge whether to enter “Other” or “Monetary Policy” in the Specify field, given the monetary elements of this policy move, but that does not bear on the Ease of Coding, which pertains only to the Primary Category field.
Dealers on foreign exchange and stock markets were caught off guard by John Major's decision to make the pound a full member of the European Monetary System on Monday and to cut one percentage point off base rates from Monday.

The City reacted with disbelief as the government's decision to join the exchange-rate mechanism was announced during trading hours. After an initial chaotic rush of business, traders and analysts predicted further large rises in shares, gilts and the pound.

Sterling soared almost ten pfennigs to DM 3.02 before easing to DM 3.0168, an 8.5 pfennig jump, at the close.

The pound enters the exchange-rate mechanism of the EMS at a central rate of DM 2.9500 and will be allowed to fluctuate in a 6 per cent band.

The FT-SE 100 index, down 20 points only half an hour before the official close of business, staged a dramatic rally to close 73.5 higher at 2,143.9 its biggest one-day rise this year.

In after-hours trading, prices went higher still with traders estimating the index would have closed more than 110 points up, boosting the value of quoted companies' shares by #20 billion.

The value of government securities also rebounded, with gains of more than #2 at the longer end.

The Treasury statement was timed to coincide with the 4pm closing calculation of the Bank of England's trade-weighted sterling index, which finished at 94.1, helped by ERM speculation during the afternoon. This was 0.4 of a point up on Thursday's close.

Economists were taken aback by the timing of the ERM move, given recent remarks by the chancellor suggesting he wanted to wait for British inflation to be clearly on a downward path before acting on ERM entry and interest rates.

Enter “Monetary Policy” in the Specify field, because the policy decision is to join the European Monetary System and because the policy decision also involved a cut in the policy rate. Journalist Confidence is High. Ease of Coding is Easy.
Exchange Rate Policy and Capital Controls 3

The Primary Category for this article is Trade and Exchange Rate Policy, because it claims that a pact among central banks to lessen fluctuations in foreign exchange markets brought in a “wave of buying”. The second reason listed for the buying wave – “the President’s rejection of pegging operations” -- also involves exchange rate policy. Enter “Monetary Policy” in the Specify field. The Secondary Category is Macroeconomic News & Outlook, because the article also links the move to “inspiring news” for “domestic industry,” but that comes third on its list of reasons for the buying wave. Journalist Confidence is High, and Ease of Coding is Easy.

Abreast of the Market
Wall Street Journal (1923 - Current file); Jul 3, 1933; ProQuest Historical Newspapers: The Wall Street Journal pg. 13

Overnight news of the pact between central banks to work together to lessen fluctuations in the foreign exchange markets, and the President’s rejection of pegging operations, as well as a flood of inspiring news on the trend of domestic industry, brought a wave of buying into securities and commodities in the closing session of the week. In stocks, spectacular gains were scored by several issues, with the uprush of 14 points in Allied Chemical the high spot. Domestic corporation bonds were uniformly higher, and grains and cotton marched forward in spirited trading.
International Trade Policy

News reports, forecasts or concerns that pertain to international trade and commercial policies including tariffs, import quotas, voluntary export restraints, trade agreements, trade subsidies, and WTO cases.
Irregularity in the markets reflected the cross-currents in the news. Weakness in the dollar in the foreign exchange markets brought some buying into stocks. On the other hand, the British cabinet’s objections to the American tariff truce proposals, and the prospect that there might be more international dissension before the London Economic Conference in June, had a dampening effect. Favoring business news, particularly on the steel industry, and the sharp upturn in railroad traffic, nourished special groups of stocks.
News, events and concerns related to government regulations, excluding those covered by Monetary Policy & Central Banking, Exchange Rate Policy & Capital Controls, or International Trade Policy. Examples include environmental regulations, energy regulations, labor regulations, health care regulations, financial regulations (other than central banking actions described above) and competition (anti-trust) policy
A four-day rally on the stock market ended Thursday with a slump led by banks. Many investors also sold stocks ahead of the government’s monthly jobs report Friday, fearful that it might revive worries that the nation could enter another recession.

Goldman Sachs fell 3.5 percent after regulators announced enforcement actions against a former subsidiary of the bank over mortgage and foreclosure practices. Bank stocks fell more than the rest of the market as investors warned that other banks might face similar reprisals. Financial stocks in the Standard & Poor’s 500-stock index dropped 2.4 percent, the most of the 10 company groups that make up the index.

“There’s obviously a lot of fear in the marketplace,” said Ann Miletii, managing director and senior portfolio manager at Wells Capital Management. “Right now, the market’s just lacking confidence.”

The Dow Jones industrial average fell 119.95 points, or 1 percent, to close at 11,493.57. It rose by more than 100 points shortly after 10 a.m., when a crucial manufacturing report showed evidence of growth in August.

Retailers including Macy’s and Costco rose after reporting strong sales last month, despite wild swings in the stock market and worries about the economy.

Goldman Sachs, in a settlement with a New York state banking regulator, agreed to stop controversial mortgage-related practices such as the “robo-signing” of documents. The settlement was a condition to Goldman’s sale of its Litton Loan Servicing subsidiary, where the practices occurred.

(continuation) Regarding the Secondary Category, the article mentions fears of another recession in advance of the jobs report. Journalist Confidence is Medium, because the jump is not clearly attributed to the enforcement action, and it is described more in terms of its effects on specific banks than the market as a whole. Ease of Coding is Hard, because it’s hard to assess from the article which factor is Primary, and which is Secondary.
Regulation 2

Financials Lead the Charge As Dow Gains 216.48 Points

Abstract (summary) Translate

Thursday’s rally began in the morning with financial stocks, in anticipation of a Financial Accounting Standards Board decision to ease mark-to-market accounting rules that banks complained force them to undervalue their assets, and it picked up speed after the decision was announced.

Full Text Translate

Optimism about the economy sent stocks higher, with the Dow Jones Industrial Average moving above the 8000 level for most of the day and the Nasdaq Composite Index finishing up 1.6% this year.

The Dow fell back a bit at the end of the session to finish up 216.48 points, or 2.8%, at 7978.08, its third consecutive gain. The industrials are up 6.1% over three days and on pace for the best four-week rally since 1938. The Dow remains down 9.1% in 2009.

Thursday’s rally began in the morning with financial stocks, in anticipation of a Financial Accounting Standards Board decision to ease mark-to-market accounting rules that banks complained force them to undervalue their assets, and it picked up speed after the decision was announced. An unexpected gain in factory orders added to optimism about the economy.

The Dow Jones Transportation Average jumped 7.9% amid hopes that an economic upturn would boost shares of trucking companies, airlines and railroads. The S&P 500-stock index rose 23.30 points, or 2.9%, to 834.38, led by gains of more than 5% in its industrial and consumer-discretionary categories. The financial sector was up 3%.

Journalist Confidence is Medium, because the author seems unsure of the most important reason for the market rally. Ease of Coding is Hard, because it’s difficult to assess whether Regulation or Macro News & Outlook should be coded as the Primary Category.
Sovereign Military and Security Actions

Reports and concerns about military actions by sovereign actors including war, invasion, blockade, saber rattling, and large-scale violent suppression of domestic insurrections. Policy responses to terrorist actions that involve large-scale use of military resources also fall into this category.
THE WALL STREET JOURNAL.

Thursday's Markets

**Stocks Record Biggest Rally in Five Months --- Industrials Rise 269.68 Points, As Nasdaq Climbs Into the Black; Technology, Insurers Lead Surge**

By Gregory Zuckerman

1123 words

14 March 2003

The Wall Street Journal

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English

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THE STOCK MARKET's relentless punishment ended yesterday -- at least for a day.

Stocks soared in their biggest gains in five months amid hopes that a war in Iraq could be delayed, or even avoided, accompanied by a drop in oil prices and fleeting signs that there might be life coming back to the economy.

Deaten-down technology and insurance stocks led the surge, which

The Dow Jones Industrial Average climbed 269.68 points, or 3.57%, to 7821.75 -- the biggest rally in point and percentage terms since Oct. 15.

The Nasdaq Composite Index jumped even higher: 4.81%, or 61.53, to 1340.77, to put the battered index back in positive territory for the year. The Standard & Poor's 500-stock index rose 3.45%, or 27.71 points, to 831.90.

But some were confounded by the sudden climb. The sharp gains -- and the year's heaviest trading volumes that accompanied them -- came with as much bad news as good. Indeed, the very nature of the abrupt rise suggested to some that the rally might be fleeting, unless there is a resolution on Iraq soon. "There was a move out of bonds and into stocks" fueling the move, said Bob Basel, a senior trader at Salomon Smith Barney. "But I question the sustainability of the rally."

The rally added about $300 billion in market value to the portfolios of beleaguered investors. While many analysts have predicted a stock-market rally once a war in Iraq actually begins, yesterday investors embraced the prospect that the standoff could be averted without military action.

The run-up began with a decline in oil prices and a rally in European stocks on reports that senior Iraqi officers might be in talks to surrender. Though that news never was confirmed, it helped boost the dollar and start Wall Street's day on the upswing.

The Primary Category for this article is Sovereign Military & Security Actions, because it says stocks soared "amid hopes that a war with Iraq could be delayed or avoided." Journalist Confidence is Low, because the article says that stocks soared "amid" hopes that war would be avoided, not because of those hopes. Later, the article casts doubt on the role of war-related hopes.
The Primary Category is Sovereign Military and Security Actions, because the articles claims that stocks plunged after U.S. military setbacks in Iraq. Journalist Confidence is Medium, because the article declares that stocks plunged "after" the military setbacks not because of them.
After months of uncertainty, investors reacted with relief yesterday to the news that the White House had dropped its sputtering diplomatic efforts and appeared to be preparing for war with Iraq.

While investors are not looking forward to a war -- and many workers on Wall Street think that they are likely targets for terrorist reprisals -- the news stripped away the cloud of doubt that has hung over stocks since the Iraqi dispute deepened last fall, strategists and money managers said.

Stock prices rallied strongly yesterday for the second time in three trading days, punctuating a warm spell in New York that has followed a winter of terror alerts, job cuts at major investment banks, skyrocketing oil prices and miserable weather. Investors appeared to be responding to progress toward war and the rising hope that the conflict would be brief.

The last gulf war resulted in a quick, decisive victory for the United States, lower oil prices and a strong rally in stocks. Investors appear to believe that even if this war is not quite as successful, it will be better than seemingly endless wrangling over whether to continue inspections for weapons of mass destruction.

"What Wall Street really fears is uncertainty," said Jack Caffrey, equity strategist at J.P. Morgan Private Bank, which oversees $250 billion in assets. "What today's events seem to be pointing to is a reduction in uncertainty, even if the outcome of that is not necessarily a good thing."

After falling slightly when they opened for trading, stocks rose strongly throughout the day. By day's end, all the major market indexes had gained more than 3 percent, their second strong gain since Thursday, when the White House began to signal that it would move away from its faltering diplomatic efforts.

The Standard & Poor's 500-stock index closed the day up 29.52 points, or 3.5 percent, to 862.79, and the Nasdaq composite jumped 51.94 points, or 3.9 percent, to 1,392.27. The Dow Jones industrial average rose 282.21 points, or 3.6 percent, to 8,141.92. Since Thursday, the Dow has gained almost 600 points.

The Primary Category is Sovereign Military & Security Actions, because the article says "investors reacted with relief yesterday to news" related to a war between two sovereign governments. Journalist Confidence is High, because the article claims that the rally was a reaction to the war-related news.
Elections and Political Transitions

News, events and concerns related to elections, election outcomes, assassinations of political leaders, coups, revolutions, and other political leadership transitions.
Some commentators concluded that Wall Street was welcoming Barack Obama with a Bronx cheer. While polls had favored Mr. Obama for weeks, the reality of a new president and uncertainty about how, and how successfully, he will handle the financial troubles may have contributed to the losses, which left the Dow down 5.1% at 9139.27. Other indexes declined, and European stocks also fell.
A huge buying surge by investors who saw the election results as good news for the nation’s economy shattered two stock market records yesterday, The Dow Jones industrial average climbed 43.41 points, more than it had ever gone up in a single day, and closed at 1,065.49, its highest closing level ever.

It was a day that Wall Street and the investment world had been eagerly anticipating since late October when the Dow average, the stock market’s most closely watched barometer, first showed signs that it might break through a record that had held for nearly a decade. The previous high, 1,051.70, was set on Jan. 11, 1973.

"We ordered champagne for our stock traders five minutes after the market closed, and we’re going for a vintage number," said John A. Conlon Jr., who heads some of the trading operations at E.F. Hutton & Company, a major brokerage firm.

Like many other Wall Street professionals, Mr. Conlon viewed the results of Tuesday’s elections as a mandate from the voters to the Government to keep interest rates declining so that a sustainable economic recovery would be possible.

The stock market, in effect, heaved a huge sigh of relief that the elections had something for both political parties and produced no shocking surprises," said Theodore H. Halligan, an institutional salesman for Piper, Jaffray & Hopwood Inc.

On the vast trading floor of the New York Stock Exchange, tension mounted during the final hour of trading as the Dow average kept pushing upward. At 3 P.M., it had hovered for a few moments at 1,045.91, after a gain of 23.91 points.

Then suddenly prices of many of the 30 corporate stocks that make up the Dow average began climbing again, and the ticker tape lagged behind floor transactions. As 3:30 approached, the average passed the old record and with 30 minutes still left in the trading session, it was at 1,055.20, up 33.20 points, and still going higher.

The Primary Category is Elections and Political Transitions, because the article attributes the jump to the election results. Journalist Confidence is High, because the article clearly states that the election was the reason, and it reiterates that claim later in the article.
Other Policy (Specify)

Any other government policy action, concern or consequences that does not fit into the aforementioned policy categories. Specify the nature of the policy in the ‘details’ column.
The Primary Category is Other Policy, because the article claims the move was sparked by government actions to create jobs and save auto makers (without describing the actions in any specificity).

Secondary Category is Government Spending, because the 2nd paragraph attributes the U.S. and global rally to stimulus plans that include infrastructure development.

Journalist Confidence is High, because the author says “new government actions … sent stocks higher,” implying a causal effect.
Corporate Earnings and Outlook

News relating to the release or impending release of information about corporate earnings, revenues, costs, or borrowings. News primarily about a shift in the outlook for corporate earnings, revenues, costs or borrowings also falls into this category.
The rally to “strong earnings reports.” Journalist Confidence is Medium, because the article attributes this interpretation to “bullish analysts” rather than to a consensus view or the journalist’s own confidently asserted understanding. Ease of Coding is Easy.
The Primary Category is Corporate Earnings & Outlook, because the article attributes the stock market fall to warnings “that weakening economies had crimped profit outlooks.” Later passages also refer to a negative outlook for earnings. Journalist Confidence is High. Ease of Coding is Hard, however, because it’s hard to judge whether the Primary Category should be Corporate Earnings & Outlook or Macroeconomic News & Outlook, given the references to ”weakening economies” and betting against stocks “most reliant on business expansion and consumer spending.”
The New York Times

THE MARKETS: STOCKS & BONDS
Business/Financial Desk; Section A
STOCKS SHRUG OFF RECENT BATTERING WITH A BIG SURGE
By CRETCHEN MORGENSEN
1833 words
18 October 2002

A front-page article yesterday about trading in the stock market on Tuesday misstated the gain of the Dow Jones industrial average in the four days ended April 22, 1933. It was 15.31 percent, not 13.28 percent. The 13.3 percent in the four trading sessions ended Tuesday was the largest such gain since 1933.

CORRECTED BY THE NEW YORK TIMES THURSDAY OCTOBER 17, 2002

Stocks soared almost 5 percent yesterday as investors celebrated upbeat earnings reports from two of the nation's biggest financial institutions and began to shift their views from gloomy to hopeful on other companies' prospects.

In a four-day rally, the Dow Jones industrial average has risen almost 1,000 points, the biggest four-day move in almost 70 years.

The consensus among investors seemed to be that the steady drumbeat of bad news in recent months -- corporate scandals, a struggling economy, high levels of debt among both companies and consumers, the prospect of war -- had pushed stock prices too low. As a result, even a few pieces of good news about earnings were enough to fuel a high-powered comeback.

The Dow has leapt 13.3 percent in the last four trading sessions, its best four-day performance since April 22, 1933. On that occasion, the average rose 13.28 percent over four sessions.

In trading yesterday, the Dow Jones industrial average jumped 378.28 points, or 4.8 percent, while the Standard & Poor's 500 index rose 39.83 points, a gain of 4.73 percent. The Nasdaq composite's leap exceeded both of the broader indexes: it rallied 61.91 points, for a gain of 5.07 percent.

The Primary Category is Corporate Earnings & Outlook, because the article attributes the stock rally to a celebration of upbeat earnings reports. Journalist Confidence is Medium, both because of the author’s use of “as investors celebrated” and the later remark that “The consensus among investors seemed to be…” Ease of Coding is Easy.
Commodities

News reports and concerns related to demand or supply shocks in commodity markets (oil, grain, copper, etc.) and their consequences.

Note: If the commodity market shock mentions in the article that it reflects a military action or terrorist attack, then classify under Sovereign Military and Security Actions or Terrorist Attacks and Large-Scale Violence by Non-Sovereign Actors, respectively.
The Primary Category is Commodities, because the article refers to news that an OPEC meeting “had broken off …” as having “touched off” the fall in stock prices. (OPEC regulates production and pricing among a cartel of several of the world’s largest oil exporting countries.) Journalist Confidence is Medium, since "touched off" suggests other factors may have been at work as well and were, possibly, more important than news out of the OPEC meeting.

The Secondary Category is Macroeconomic News & Outlook, because the article states “The concern over the rising interest rate contributed to yesterday’s decline. Ease of Coding is Easy.
The Primary Category is Commodities, because the article says yesterday’s market gain happened in “the wake of a big drop in crude oil prices.” Journalist Confidence is low, because the author writes “in the wake of” and because it later says “Oil seemed …”.

The New York Times

Financial Desk D
Dow Gains 78.71 Points, To 2,611.63
By ROBERT J. COLE
1268 words
28 August 1990
The New York Times
NYTF
Late Edition - Final
English

Stocks demonstrated surprising bounce yesterday, gaining back much of last week's loss in the wake of a big drop in crude oil prices and tentative signs of a relaxation of tensions in the Persian Gulf.

By the end of the day, every market barometer had made significant gains. The Dow Jones industrial average rose 78.71 points, or 3.1 percent, to 2,611.63.

Oil seemed to be by far the main reason for optimism among investors. But market analysts, traders and technicians said a range of factors contributed to the strong rally. The Treasury’s 30-year bond lost more than 1-172 points, to 97 15/32. And the spot price of gold fell $26.70 an ounce - its largest drop since 1983 - to $388.30. [Pages D15 and D16.] Up 5.2% in Last Two Sessions Adding Friday’s 49-point increase to the Dow’s rise today gives it a gain of 128 points, or 5.2 percent, erasing much of the 173-point loss in last week’s three-day plunge. It was the biggest one-day gain in both percentage and points since Oct. 16. when the Dow jumped nearly 3.5 percent.

The Nasdaq composite index of over-the-counter stocks showed even stronger gains, rising 13.94 points, or 3.8 percent, to 381.27.

But barely nine minutes after the 9:30 A.M. opening bell and for the rest of the day, the New York Stock Exchange intervened against program traders under its 50-point rule. To prevent market activity from feeding on itself, the rule prohibits such traders from selling on a downtick whenever the Dow falls 50 points or more, or from buying on an uptick when it rises at least 50 points.
Investors stormed the stock market's exits yesterday on news that oil prices were surging.

turmoil in the Middle East was escalating and earnings at a major United States retailer would be worse than expected.

The selling took the Dow Jones industrial average down 379.21 points, or 3.6 percent, to 10,034.68, its lowest level since March. The Nasdaq composite index lost 93.81 points, or 3 percent, closing at 3,074.68, its lowest point for the year. The Standard & Poor's 500-stock index fell 34.81 points, or 2.6 percent, to 1,329.78.

All of the major stock indexes are deep in negative territory for the year. The Standard & Poor's 500-stock index is down 9.5 percent so far while the Dow Jones industrials have lost 12.7 percent of their value. The Nasdaq is down 24.4 percent for the year.

"The uncertainties have escalated," said Mary Farrell, senior investment strategist at PaineWebber. "And we're seeing the bluest of the blue chips coming up with disappointments."

Ms. Farrell said she was struck by the speed with which disillusioned investors react these days. "Investors today are more inclined to dump the stock and ask questions later," she said, observing only "an element of panic" in what was fairly orderly trading. Volume was heavy but trailed that of Wednesday when the Nasdaq and Big Board both posted their fourth-biggest days on record.

The stock markets struggled almost from the beginning of the trading session. Early in the morning, Home Depot, one of the nation's most popular companies and beloved growth stocks, said that its results for the current quarter and the remainder of the year would be lower than expected. Home Depot's was only the last in a long line of similar warnings in recent weeks from former stock market stars like Lucent Technologies, Intel and Dell Computer. Home Depot's shares lost 28.7 percent of their value during the trading session.

On both the New York Stock Exchange and the Nasdaq, decliners outnumbered advance by almost 3 to 1. On Nasdaq, only 18 companies reached new highs yesterday, while 511 Nasdaq companies hit new lows. On the New York exchange, 227 stocks made new lows, while 36 achieved new highs.

The Primary Category is Commodities, because the article attributes the stock market drop to surging oil prices (first on the list). Journalist Confidence is High. The Secondary Category follows from "turmoil in the Middle East." Because the article does not spell out the nature of the turmoil, code the Secondary Category as Other Non-Policy. For the the Detail field, write "turmoil in the Middle East."
Foreign stock markets

News reports that attribute a large domestic market move directly to foreign stock-market moves without offering any deeper explanation for the domestic or foreign stock market move.

For example, suppose an article in the South China Morning Post attributes a jump in the Hang Seng (Hong Kong) Index to stock price moves on “Wall Street.” If the article offers no explanation for the Wall Street move and no other explanation for the Hang Seng jump, code the Primary Category as Foreign Stock Markets. If instead, the article attributes the Wall Street moves to bad reports about the U.S. macroeconomic outlook, for example, code the Primary Category as Macroeconomic News & Outlook.
Turnover crosses $10b mark as players plough into battered sector

Buyers take cue from US

Wilder, David. South China Morning Post; Hong Kong [Hong Kong] 12 Apr 2001: 1.

Hong Kong technology stocks led the market higher yesterday after a sharp bounce on Wall Street triggered a buying spree in the beleaguered sector.

The Hang Seng Index jumped 4.03 per cent to end at 12,706.43 points, with turnover at a relatively sprightly HK$10.14 billion - its first foray above the $10 billion mark since the March 23 trading session.

"We hope that there will be more rebounds in the [United States] and then this market should move further," BNP Prime Peregrine sales trader Hugo Leung said. "Looking at the turnover, it's definitely improved." On Tuesday, the Nasdaq Stock Market soared 6.09 per cent and the Dow Jones Industrial Average climbed 2.61 per cent to end back above the 10,000-point level.

This in turn sparked a rebound in many Hong Kong stocks and, unlike other recent bounces, small-caps came along for the ride. Systems integrator Computer and Technologies, for instance, soared 16.96 per cent to $3.275.

The Primary Category is Foreign Stock Markets, because the article attributes the jump in the Hang Seng Index to rising U.S. stock prices, and the full article says nothing about any deeper factor behind the stock market rise in the HK or the U.S. Journalist Confidence is High, given the even stronger attribution in the second highlighted passage. Geographic Origin is “USA”.

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Foreign Stock Markets

THE WALL STREET JOURNAL.

Sudden Retreat: Markets’ Slide Spotlights Risks --- Chinese Shares Tumble, And Investors Reassess U.S. Economic Outlook --- Fleeing to Safe Treasurys

By E.S. Browning and Craig Karmin in New York, James T. Aredy in Shanghai, and Greg Ip in Washington

2038 words
28 February 2007
The Wall Street Journal

Yesterday's plunge in stock prices around the world, including the steepest percentage decline in the Dow Jones Industrial Average in nearly four years, signals that investors may finally be re-evaluating their insatiable appetite for risky investments.

The catalyst was Tuesday's nearly 9% fall in stock prices in Shanghai, one of the hottest and most volatile markets in the world. That helped send U.S. stocks on a roller coaster that ended with the DJIA down 416.02 points, or 3.3%, to 12216.24.

For a moment yesterday it was even worse. Starting just before 3 p.m. Eastern time, the Dow plunged more than 200 points in minutes, to a low of 12086.86, after a technical glitch delayed the reporting of its true value.

For months, global stock markets had been pointing almost straight up, ignoring admonitions that investors were excessively complacent. The amount of compensation, in the form of higher yields, that investors usually demand for lending money to riskier companies or countries had been shrinking steadily. And with credit plentiful and cheap, private pools of capital have been borrowing to buy up bigger and bigger companies. Even prices of art and wine have soared.

The mood changed sharply yesterday. U.S. Treasury bonds rallied in a flight to safety by suddenly nervous investors. The 10-year Treasury note's yield -- which falls when the note's price rises -- sank to 4.47% at one point. The Treasury note's yield ended the day at a two-month closing low of 4.51%.

The atmosphere first began to shift Sunday night, New York time, when former Federal Reserve Chairman Alan Greenspan, speaking by satellite to a Hong Kong audience, used the word "recession" and appeared to question the widespread notion that the current expansion will last all decade. "We do not and cannot look into history without being very concerned when you see the absence of awareness and concern about risk that we see today," Mr. Greenspan said.

Stocks didn't flinch at first. But on Tuesday, a day after hitting a record high, the Shanghai Composite Index fell 8.8% for no obvious reason, its biggest drop since jitters in 1997 about the death of Communist Party elder Deng Xiaoping. Analysts suggested investors wanted to get out of the soaring market before Beijing made any moves to cool it, such as new trading taxes.

The Primary Category is Foreign Stock Markets, because the article describes the market movements in Shanghai as the “catalyst” for the U.S. equity market drop, and it offers no deeper explanation for the drop in the Shanghai or US markets. Journalist Confidence is High, because it clearly describes Shanghai’s markets as being responsible, and refers to this reasoning later in the article as well.
Terrorist Attacks and Large-Scale Violence by Non-State Actors

Events, reports and concerns related to the use of violent force by non-state actors.

**Note**: There is a potentially blurry boundary between (a) terrorist attacks and (b) assassinations of political leaders or a violent revolution. Make a notation in the Comment field, if there are difficult classification issues of this sort. Of course, you should also set Ease of Coding to Hard in such cases.
The stock market survived the first day of trading in six days with significant losses but without a disastrous plunge yesterday. Stock prices plummeted seconds after the opening bell but never succumbed to the frenzied selling that government and business leaders had worked hard to avoid.

Trading resumed at a fast pace, as the financial community returned still battered by the World Trade Center disaster. Just a few blocks away from the New York Stock Exchange, workers continued to dig remains out of a mountain of rubble. [Page C1.]

Given their first chance to buy and sell stocks, investors pushed crucial market indexes down 7 percent out of concern that world economies, fragile even before the terrorist attack, would weaken further in days ahead.

Even before the markets opened for trading, the Federal Reserve Board, followed later by other central banks, tried to send a signal that it was acting to shore up the economy. The Fed cut its benchmark Federal Funds rate by half of a percentage point, to 3 percent. The European Central Bank followed, cutting its benchmark rate by half a percentage point, to 3.75 percent. [Page C1.]

President Bush, who had spent recent days trying to calm the nation, delivered the message again just before noon. "I understand it's tough right now," Mr. Bush said of the nation's economy.

"But the underpinnings for economic growth are there. We've got the greatest entrepreneurial society in the world. We've got the best farmers and ranchers. We've got a strong manufacturing base. But there's a challenge ahead of us, and I'm confident that our business community will rise to the challenge."

In another show of support, corporations pledged to buy significant amounts of their shares, and the big brokerage firms refrained from issuing negative investment opinions on individual companies.

All eyes were riveted on the stock market, a symbol of the country's ability to return to a more normal state after the sudden and devastating violence of last Tuesday.

Nevertheless, by the end of the day, the Dow Jones industrial average had fallen 7.1 percent, or 684.81 points, to its lowest level since December 1998. It was the biggest point loss ever but far from a record in percentage terms.

The Primary Category is “Terrorist Attacks …” because of language in the 2nd paragraph, which attributes the market drop to 9/11 attacks on the World Trade Center. Journalist Confidence is Medium, because the article attributes the stock fall to the 9/11 attacks in a somewhat roundabout manner.
The Primary Category is “Terrorist Attacks …”, because the article says some investors attributed the rally to the absence of a major terrorist attack on July 4. Journalist Confidence is Low, given the use of “some investors”. The Secondary Category is Macroeconomic News & Outlook in view of the passage about “Yesterday’s jobs report also played a role…”

The unemployment rate rose slightly, to 5.9 percent, last month, the government reported yesterday. The economy appears to have fallen into a so-called jobless recovery that resembles the slow growth of the early 1990’s, economists said.

“In a sense, the recession is over, but the recovery has not begun,” said Mark Vitner, the senior economist at Wachovia Securities in Charlotte, N.C. “Companies are still focusing on cutting costs and are still reluctant to hire additional workers.”

A rise in consumer and government spending apparently brought the recession that began in early 2001 to an end several months ago. But many companies have decided that economic growth is likely to be too mild to justify new hiring; instead, they are trying to meet new demand by becoming more efficient.

Since the start of the year, about 150,000 jobs have been lost overall among the more than 130 million Americans on nonfarm payrolls. Most economists expect the jobless rate, which is adjusted to account for normal seasonal variations, to inch up further this year and surpass the recent high of 6 percent it reached in April.

The increase in unemployment, up from 5.8 percent in May and a 30-year low of 3.9 percent in late 2000, suggests that the Federal Reserve will not raise its benchmark interest rate until at least the end of the year, analysts said.

On Wall Street, the stock market continued its rebound from the post-Sept. 11 lows that a few major indexes had hit early this week, although trading was light yesterday and the stock market closed early for the holiday weekend. The Dow Jones industrial average jumped almost 325 points, or 3.6 percent, to 9,380, it biggest one-day gain since Sept. 24.

Some investors said they were cheered by the absence of a major terrorist attack on July 4, and thought they had overreacted to recent accounting scandals. Yesterday’s jobs report also played a role in the stock gains, making an interest rate increase less likely in the coming months and offering evidence that companies are trying to lift sagging profits by keeping payrolls lean, analysts said.
The Primary Category is “Terrorist Attacks …”, because the article attributes the market drop to climbing disaster-related costs, damage done by the 9/11 attacks to the economy, and (in Greenspan’s remarks) to the effects of 9/11-induced uncertainty.

As disaster-related costs continued to climb for airlines, insurance firms and other companies, it became clear that the already weak U.S. economy had been damaged and may be contracting. And the prospect of an open-ended military operation against a shadowy foe helped drive the Dow Jones industrial average down 382.92 points, or 4.4 percent, to 8376.21, a decline of nearly 13 percent in less than a week.

Other economic indicators also alarmed investors yesterday: Housing construction slid sharply in August; the National Retail Federation released pessimistic sales forecasts for the final three months of the year; corporations issued earnings warnings, announced more layoffs and prepared for losses as they were confronted with nearly empty hotels, malls and theme parks.

Federal Reserve Chairman Alan Greenspan, in his first public comments since the attacks, acknowledged yesterday on Capitol Hill that “much economic activity ground to a halt last week.”

The short-term economic outlook remains unclear, he said, adding that “the shock of September 11, by markedly raising the degree of uncertainty about the future, has the potential to cause businesses and consumers to delay making financial commitments, such as buying new equipment, houses or cars.

Even as Greenspan, in testimony before the Senate Banking Committee, sought to reassure the public about the nation’s long-term economic strengths and prospects, he grimly noted the profound nature of the deadly terrorist strikes. “In contrast to natural disasters, last week’s events are of far greater concern because they strike at the roots of our free society, one aspect of which is our market-driven economy.”

on spending on equipment, housing and cars. Journalist Confidence is High. The Secondary Category is Macro News & Outlook, given the remarks about “”Other economic indicators also alarmed investors ….”
Other Non-Policy (Specify)

Any other news report, event or concern that is not policy-related and does not fit into one of the aforementioned categories; specify the nature of the policy in the ‘details’ column.
The New York Times

NERVOUS MARKETS PLUNGE ON FEARS OF WIDER SCANDAL
By JAMES STERNGOLD

The repercussions of the insider trading scandal rocked Wall Street yesterday. The stock market and parts of the bond market suffered heavy losses in response to the fear that has gripped the securities business over how high and how far the scandal will reach.

The closely watched Dow Jones industrial average fell a steep 43.31 points. Trading was extremely active as concern grew that further evidence of illegal insider trading would undermine market integrity. [ Page D1. ] There was an even sharper selloff of stocks involved in, or previously rumored to be involved in, corporate takeover battles.

'Down 200 Points or More'

"If there were a Dow Jones for arbitragers," the professional stock traders who invest largely in takeover stocks, "it was down 200 points or more today," one Wall Street executive said.

In addition, the market in low-quality, high-yielding bonds "junk bonds" in Wall Street parlance, was hit extremely hard yesterday. [ Page D12. ] Junk bonds are frequently used to finance takeovers, and the biggest securities firm in this business is Drexel Burnham Lambert. Drexel had worked extensively with Ivan F. Boesky, the professional stock trader who paid a $50 million fine and returned $50 million in profits from illegal trading as a result of the Securities and Exchange Commission charges. Other Developments

The Primary Category is Other Non-Policy, because the article attributes the market fall to the insider trading scandal, which doesn’t fit into any of our other categories and is not a policy based-phenomena. Journalist Confidence is High, because the article is very definitive in claiming that the repercussions from the scandal caused the market move.
The Primary Category is Other Non-Policy, because the article cites a trading glitch as making a bad day worse. Journalist Confidence is Medium, because the author says only that an “apparent trading glitch” made things worse, not that the glitch was the main factor. Later, the article says “markets were already on edge … as traders watched …”, but it’s not clear which “markets” the article is referencing here, and it uses the weak “as traders watched” phraseology. This passage is not clear or strong enough to provide the basis for coding a Secondary Category.
Unknown & No Explanation

Use this category when the article does not offer an explanation for the market jump, or when it explicitly asserts that the cause is unknown.
The Primary Category is Unknown & No Explanation, because the article identifies no underlying cause for the jump and, in fact, refers to the “absence of bullish news”. Journalist Confidence is Medium or Low, because the author seems unsure why the market moved the way it did.
The Primary Category is Unknown, because the article makes no attempt to explain the movement in the stock market. Rather it just describes what happened in the market and what it might portend for the future. Journalist Confidence is Low, because he/she presumably would have offered an explanation if one was at hand.
The Primary Category is Unknown & No Explanation, because the article offers no underlying reason for the market rebound. It says some foreign investors were buying (according to NY-based investment bankers), but it says nothing about why they were buying. This amounts to a non-explanation, because there are always buyers and sellers any time trading volume is positive. Journalist Confidence is Low, because the author offers no underlying reason for the market move, and even his claim about foreign investors is attributed to others.
• When you cannot find a suitable article for the jump in any of the newspapers you consult, enter No Article Found in the Primary Category field.

• Especially in recent decades, it is quite rare that there is no suitable article in the WSJ. That’s also true for the NY Times.
  • Carefully read through all search results
  • Try consulting summary columns such as “What’s News” in the Wall Street Journal
  • Try consulting long-running columns such as “Abreast of the Market” in the WSJ
Basic process (for the Wall Street Journal)

Variations for different newspapers and periods

Category definitions and example articles

Coding FAQs

The research team
**Coding FAQs**

1. If an article mentions multiple reasons for the jump, which one(s) should be coded?

Code the Primary Category based on the most important reason, as indicated by the article. Code the next most important, again as indicated by the article, as the Secondary Category.

If the article mentions multiple reasons for the jump but does not state or imply which one is most important, use the order in which they are mentioned as a tie breaker. That is, treat the first reason mentioned as the Primary Category. Use this ordering rule as a tie-breaker only – it is not a substitute for a sound judgment based on a careful reading of the full article.

Additional reasons (beyond Primary and Secondary) can be noted in the Comment field.
Coding FAQs

2. If an article talks about foreign developments or the actions of a foreign government, how should I code the Primary Category, Secondary Category, Journalist Confidence and Ease of Coding fields?

The same as always. Use the “Geographic Origin” field to indicate the geographic source of the news, policy decision or other matter that, according to the article, triggered the jump

For example, if the article says a government spending decision in Germany caused the US stock market jump, put “Government Spending” in the Primary Category field and “Germany” in the Geographic Origin field.
Coding FAQs

3. When should I consult a second article?

- When the first article does not assert what caused the jump
- When the first article does assert what caused the jump, but is vague on details that are important for coding the Primary Category field.
- The next slides provide examples where consulting a second article helped clarify the matter.
- When you consult multiple articles about a particular jump, create a separate record in the Excel file for each article. Enter the articles in the order you consulted them.

Note: Do not record an article merely because you inspected it and determined it’s not about the jump in question.
The article claims that the Treasury Department’s plan sparked the stock market rally, but it does not explain whether the new plan involves an injection of government funds (Government Spending) or the shifting of losses to creditors (Other Policy).

After reading this article, and realizing that the description of the Treasury Plan is too vague to support a confident coding of the Primary Category field, find a second article.
This article from the Wall Street Journal on the same date provides more information about the nature of the Treasury Plan to remove toxic assets from bank balance sheets. It explains that the government is going to shoulder much of the risk and offer lucrative subsidies, which confirms the category. Based on this information, the Primary Category is Government Spending. Journalist Confidence is High based on the headline, which attributes the stock market gain directly to the Treasury Plan.
The original article for the Jump on 6/29/2010 is mostly a description of what happened. The journalist makes no claim about what caused the jump.

Volatility returned to global financial markets with a vengeance in the second quarter, sending investors fleeing from stocks world-wide and driving them into defensive investments, especially U.S. Treasurys and gold.

A second article explicitly links the move to the disappointing consumer confidence numbers, so the Primary Category should be coded as “Macroeconomic News & Outlook.”

Markets were already weaker in Asian and European trading, and got an additional knock early in the U.S. trading day from a dismal reading of consumer confidence. This fanned
Coding FAQs

4. Can I enter multiple countries and regions in the Geographic Origin field?

Yes, if the article attributes the jump to developments in multiple countries or regions, list each one in the Geographic Origin field.

5. In what order should I list multiple countries and regions?

List them in order of importance, as indicated by a careful reading of the article. If necessary, use the order in which they are mentioned as a tie breaker.
6. How should I fill in the Detailed Cause/Notes field?

Use this field to paraphrase the article’s explanation(s) for the jump. The idea is that someone who reads this field would understand what caused the jump, according to the article.

The Excel file with test articles includes many examples of how to fill in the Detailed Cause/Notes field.
How to Fill in Key Passage Field

- Use this field to quote a short passage in the article, or if necessary two passages, typically fewer than 25 words (1-2 sentences), that are most important in helping you determine your coding.
  - The second passage may be necessary if the article refers to multiple causes for the jump or to clarify/confirm your interpretation.
  - This field is in addition to the Detailed Cause/Notes field, in which you paraphrase the article’s explanation.
- For articles exported as text, you can copy and paste the relevant text passage directly into the “Key Passage” field.
- For articles exported as pictures (most articles before 1980), type the passage into the ”Key Passage” field.
- The Excel file with test articles includes many examples of how to fill in the “Key Passage” field.
The completion of a tax deal between the White House and Congress sent stocks soaring Wednesday, but the sense of relief belied the fact that more tax-and-spending brinkmanship is expected as soon as February.
Location in Article Field

Use this field to indicate how far into the article you needed to read to be confident about your Primary Category coding.

Use a three-point scale:
Clear from Title = 3
Clear after reading First Two Paragraphs = 2
Not clear until reading beyond first two paragraphs = 1

For example, the title “Dow Soars 256 Points, Powered By Upbeat Intel” (7/15/2008) directly links the stock market move to corporate profits. Enter “Title” in the Location in Article field.

Regardless of where you find the key information, you need to read the whole article to be sure that the key information is where you said it was. Sometimes, an article leads with information that fits one category, but later provides conflicting evidence or evidence that another category is more important.
Example: Clear from First Two Paragraphs

Fresh Budget Fights Brewing --- Markets Breathe Sigh of Relief After Fiscal Clash, but Tax-and-Cut Battles Loom

THE WALL STREET JOURNAL.

Abstract  Translate

By raising tax rates on upper-income Americans and limiting certain deductions for those households, among other things, the law that Mr. Obama is expected to sign within days is estimated to reduce budget deficits by about $737 billion over 10 years from what the Congressional Budget Office projected it would otherwise be, the White House said Wednesday.

Full Text  Translate

The completion of a tax deal between the White House and Congress sent stocks soaring Wednesday, but the sense of relief belied the fact that more tax-and-spending brinkmanship is expected as soon as February.

Although the title is informative, the direction and cause of the jump is not completely clear until reading the first sentence. Enter “First Two Paragraphs” in the Location in Article field.
Hello, September.

Stocks surged as strong global manufacturing data helped kick off the historically volatile month with a bang, following a bruising August.

The title is not informative, but the second paragraph directly links the macroeconomic data to the stock market move. Enter “First Two Paragraphs” in the Location in Article field.
Example: Full Article

Dow Rises, But October Was Brutal


With one trading day left in October, the month is shaping up to be among the worst and most volatile in stock-market history.

The market rose Thursday despite government data that showed the economy had shrunk for the first time in seven years, but it remains down 15.4% for the month, as measured by the Dow Jones Industrial Average. That would make October the 11th-worst month in history and the worst in 21 years.

The credit crisis and worsening economy has led to wild price swings during the month. The average daily range from low to high has been 605.51 points. The index hasn't had two consecutive daily gains all month, and it has had 16 down days, the most since August 1973, during a grinding bear market.

The market had a relatively benign day Thursday, with the Dow industrials rising 189.73 points, or 2.1%, to close at 9180.69. A rally that began in Asia and continued in Europe pulled the market higher as officials around the world took further steps to stabilize the ailing global financial system.

The title is not informative, and the first few paragraphs discuss what happened in the rest of October. The actual cause of the jump, “further steps to stabilize the ailing global financial system”, does not appear until the fourth paragraph. Enter “Full Article” in the Location in Article field.
Basic process (for the Wall Street Journal)

Variations for different newspapers and periods

Category definitions and example articles

Coding FAQs
Journalist Confidence & Ease of Coding

The research team
Journalist Confidence

Use this field to characterize the confidence/assurance/certainty with which the article advances an explanation for the jump.

Use a three-point scale:

High confidence = 3
Medium confidence = 2
Low confidence = 1

For example, if the article asserts without qualification that bad news about corporate earnings triggered a large drop in the equity market, enter High in the Journalist Confidence field.
1/2/2013 – Taxes

Fresh Budget Fights Brewing --- Markets Breathe Sigh of Relief After Fiscal Clash, but Tax-and-Cut Battles Loom

THE WALL STREET JOURNAL.

Full Text  Translate

The completion of a tax deal between the White House and Congress sent stocks soaring Wednesday, but the sense of relief belied the fact that more tax-and-spending brinkmanship is expected as soon as February.

Code Journalist Confidence as High, because the journalist unambiguously attributed the market gain to the tax deal.
Dow, at 7552.60, Plumbs Bear-Market Low --- Wal-Mart Gains, but That's It as Industrials Slide 3.8%; GM on Brink and a Bank Selloff


THE WALL STREET JOURNAL.

The Dow Jones Industrial Average tumbled to its bear-market low in a broad selloff, as investors worried about the global economy and the health of financial institutions fled to the safety of gold and Treasury bonds.

A decline in Japan's fourth-quarter and full-year GDP amid collapsing demand for its products sent Asian stocks lower and the decline continued in Europe after Moody's Investors Service warned of bank exposure to faltering Eastern European economies.

Code Journalist Confidence as Medium, because the article says the Dow tumbled “as investors worried ...” rather than clearly fingering worries about the global economy as the reason for the market slide. The Primary Category is Macroeconomic News & Outlook based on the reference to worries about the global economy. Enter ”Global” in the Geographic Origin field.
7/23/2002 -- Unknown

Nasdaq Stocks Sustain Biggest Loss of Year --- Tech-Burdened Index Falls 4%, Dow Industrials Lose 82 Points; Attempts to Rally Go Nowhere
THE WALL STREET JOURNAL.

A MORNING STOCK RALLY fizzled again, as a wave of late-day selling pushed the Dow Jones Industrial Average into its 11th decline of the past 12 trading sessions, and left the Nasdaq Composite Index down more than 4% on the day, its biggest one-day loss of the year.

Individuals continued to bail out of their stock investments, forcing mutual funds to raise cash by trimming some of their large holdings, including big Nasdaq companies such as Microsoft, Cisco Systems and Dell Computer. Those declines helped knock the Nasdaq Composite Index down 4.18%, or 53.60 points, to 1229.05 -- well below the level of 1300.12 at which it closed on Dec. 5, 1996, the day Federal Reserve Chairman Alan Greenspan warned that investors could be succumbing to "irrational exuberance."

Set Journalist Confidence to Low, because the article does not link the jump to any fundamental development. It just says prices went down because investors sold... But for every seller there must be a buyer! Ease of Coding is Medium, because many causes are listed, but after reading through all of them, the journalist links none of them directly to the jump. The Primary Category coding is Unknown & No Explanation.
Dow Industrials Fall Below 10000; European Markets Also Swoon as Governments' Efforts Fail to Allay Fears

Even as stocks tumbled to multiyear lows, investors and traders were worried about more declines because they saw few signs of capitulation -- or last-ditch selling that typically marks a market bottom.

Monday's 369.88-point, or 3.6%, drop in the Dow Jones Industrial Average, sending it below the 10000 mark at 9955.50, didn't seem like a round of capitulation, said Doreen Mogavero, president and chief executive of the New York floor brokerage Mogavero Lee & Co.

"Yes, it's a big move, but there hasn't been the sort of [trading] volume behind it that we'd like to see," in order to confirm that there isn't another wave of sellers still waiting on the sidelines, Ms. Mogavero said.

The U.S. government's $700 billion plan to bail out financial institutions didn't stop the Dow industrials from falling about 800 points during the afternoon, to the lowest intraday level in nearly five years, although they recovered some of those losses in the last hour of trading. All 30 Dow components declined, led by Bank of America, which fell more than 6.5%.

10/6/2008 – Unknown

Code Journalist Confidence as Low, because the journalist says the drop happened *despite* the bail out plan, and the article not link the jump to any particular cause. After reading the entire article (not reproduced here in full), the Primary Category is Unknown & No Explanation.
Ease of Coding

How easy is it to code the primary “Category” field.

Easy to Code = 3 “The explanation was easy to find, placed prominently, and without qualification”
Medium = 2 “The explanation was present, but either complex, later in the article or with qualification”
Hard to Code = 1 “The explanation was complex, later and/or heavily caveated. Multiple readings and consideration was required.”

Example 1: An article confidently identifies several factors that contributed to the day’s move, but provides no indication as to which factor is most important. This makes it hard to code the “Primary Category” field, so “Ease of Coding is “Hard.”

Example 2: An article asserts a single explanation for a jump, but it is difficult to put that explanation into one of our categories. On 3/23/2009 the WSJ attributes the move to the Treasury plan, but does not specify who will pay for the toxic assets. If the treasury pays, the Primary Category would be Government Spending, while if creditors are forced to take losses, it would be Other Policy. Since the article does not clarify the matter, set Ease of Coding to “Hard” for this article. Note: This article was also featured above in the discussion of when to consult a second article to assign the Primary Category.
Basic process (for the Wall Street Journal)

Variations for different newspapers and periods

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Coding FAQ

The research team
The team room
Some of our best quotes found in the papers

- Stock he bought went sky high, trader full of glee. Fell ten points on a statement from the ICC. Another smash on warnings from the FRB. Trader now chopping tickets on the BRT.