

Turbulence hit stock markets from the United States to Europe to Asia over five days last week

MONDAY

Asian stock markets took a beating with Singapore suffering its worst one-day fall since October 1987, plunging 6 per cent. Traders blamed it on hedge funds trimming their positions across the region. European markets were also not spared.

TUESDAY

US Federal Reserve slashed interest rates in a bid to halt the global sell-off. While it soothed European nerves, news of it came too late for Asian bourses which continued to be battered.

WEDNESDAY

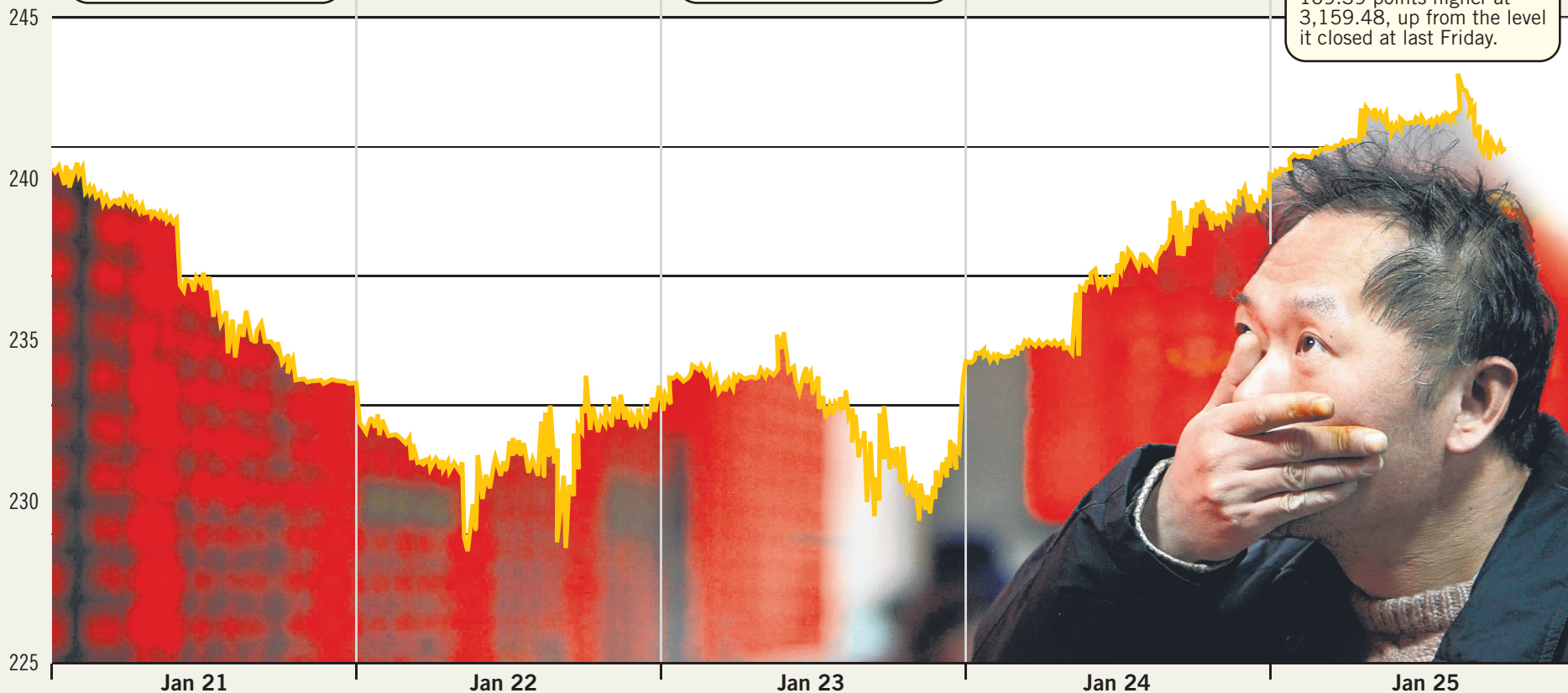
Asia's stocks rallied sharply in reaction to the interest rates cut. Hong Kong's Hang Seng Index soared 10.7 per cent in its biggest one-day point gain ever. But US and European markets dropped after Asian markets closed, with Europe dipping 2 to 5 per cent.

THURSDAY

European stocks surged despite news of Societe Generale's massive US\$7.15 billion (S\$10.3 billion) fraud by rogue trader Jerome Kerviel. Asian stocks continued to rally even though the news caused an initial wobble.

FRIDAY

Asia returned to healthy days with Japanese shares making the biggest gains in six years. A US\$150 billion stimulus package by US President George W. Bush was credited for driving the market up. The Straits Times Index ended 3.6 per cent or 109.39 points higher at 3,159.48, up from the level it closed at last Friday.



SOURCE: FINANCIAL TIMES

PHOTO: REUTERS