



# Press release

Statistics Netherlands

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## ***Interest rates influence the Damrak***

In the first six months of 1999 there was a 0.6% rise in the interest rate of the capital to 4.44%. This put a stop to the fall in interest rates that started in 1995.

Figures by Statistics Netherlands show that financial institutions were hit by the rising interest rate at the capital market. Their reinvestment index fell by 10%, whereas the all share index rose by nearly 8%. The same developments in the interest rates took place in the first six months of 1994: at the time the financial institutions saw a 14% drop and all shares fell by about 5%.

## ***Amsterdam shares lag behind world index***

The share prices at the Amsterdam stock market rose by more than 5% in the first six months of 1999. With its 7.6% yield the total yield lagged far behind that of the MSCI, which saw a 22.5% rise.

Investors in Amsterdam had doubts about economic developments and the rise in interest rates in the capital market. These factors produced huge fluctuations in the share prices, with average yields fluctuating from -6% to +9% compared to the last months of 1998.

## ***Huge differences between branches of industry***

The yields of the various branches of industry showed great differences in yields. This was in part due to the interest rates. The financial values suffered most from this with -10% yield. Capital goods on the other hands did very well (+58%), with major funds such as Philips and ASM Lithography, as did basic goods (+19%), with DSM and Hoogovens, which far exceeded the average.

## ***Technology funds doing well***

De CBS/KBW Wesselius MIT-Index went up more than 30% in the first six months of 1999. This fund measures the value of 20 information technology funds quoted on the Amsterdam Stock Exchange.

## ***Far East Share Funds top the bill***

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After two years of negative yields, the funds investing in the Far East made up for the damage with a +57% rise in the first six months of 1999. Funds investing in North America and worldwide with +22% did far better than those investing in the Netherlands, which yielded +4.1%.

### ***Shares in real estate doing well in first half of 1999***

The yield on real estate funds was 13%. The funds that invested indirectly in real estate – through investments in shares of other real estate funds – had an especially good first six months with 20%. All real estate sectors did better than shares, which clearly lagged behind with 7.6%.

### **For further information**

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