



Press release

Statistics Netherlands

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AEX between hope and fear

The situation on the Amsterdam stock exchange (AEX) was dominated by strongly fluctuating moods in the third quarter of 1999. On the one hand many companies realised higher profits than expected, while on the other rising capital interest rates caused widespread restlessness among investors. On balance Statistics Netherlands figures show that AEX share prices fell slightly in the third quarter.

Share prices lower on balance

Although AEX companies announced positive half-year results, Statistics Netherlands' CBS share price index closed the third quarter 1.6% down on the second, at 761.1. Share prices rose by an average 3.6% in the first nine months of 1999, apparently bringing to an end the four-year stretch of very strong growth.

Interest rates affect share prices

The fact that share prices fell in spite of positive company results is connected with a strong increase in capital interest rates. High interest rates have a negative effect on trade in shares. In the first nine months of 1999 capital interest rates rose by 1.2 per cent points to 5.0%.

AEX better than global index in third quarter

The total return on Dutch shares on the Amsterdam stock exchange was negative in the third quarter: minus 1.0%. Amsterdam did do better than the global average. The MSCI global reinvestment index dropped by 4.2% in the same period. However, for the first nine months of 1999 Amsterdam's total yield of 6.5% was well behind the global average of 18.5%.

High tech doing well

The smaller high tech companies realised the highest returns in the third quarter. While total return of all Dutch shares was -1.0% in the third quarter, the CBS/KBW Wesselius MITS reinvestment index rose by 8.2% in this period. This index includes all companies in microelectronics, information technology and

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Statistics Netherlands
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telecommunications, with the exception of heavy-weights KPN and Philips.

Investment funds in the Far East achieve best results

Funds investing in Asian stocks and shares achieved the best results in the first three quarters of 1999 (+55.7%). They overshadowed funds investing in Dutch shares, who realised 2.9%, well below the average of 6.5%. Part of the difference can be explained by the influence of Koninklijke Olie in the index. Excluding Koninklijke Olie, the total yield of shares in this period was only 0.8%.

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