



Statistics Netherlands

Press release

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Statistics Netherlands
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Shares plummet in second quarter

Dutch share prices dropped sharply in the second quarter of 2002. Figures from Statistics Netherlands show that the total return on shares including paid dividend was -14.2 in the second quarter. Only investors in bonds and property funds made any money.

One of the worst quarters in 50 years

With a 15.6 percent fall in share prices, the second quarter of 2002 is one of the worst quarters since the start of the CBS share index fifty years ago. Pessimistic macro-economic signs, warnings of disappointing company results and bookkeeping scandals in American stock market companies pushed down stock markets sharply in the second quarter of 2002. After a steady fall in Amsterdam share prices in April and May, they dropped more sharply in June. Two days before the end of the second quarter shares prices were on average 20.5 percent lower than at the end of March. This was followed by a recovery and the CBS share index closed the quarter 15.6 percent down.

The absolute low was the last quarter of 1987 when the Amsterdam stock market lost 30.8 percent. The CBS share index peaked on 4 September 2000. Since then an average portfolio of Dutch shares has lost 37 percent of its value.

Positive returns on bonds and property

Not all investors had a bad quarter. The distrust on the stock markets pushed investors towards bonds. The total return on Dutch bonds in the period April-June was 2.5 percent. In the first quarter investors received near to nothing on bonds. Property investors also booked a profit. Investment companies investing globally in office buildings, residential projects and shopping centres booked a return of 1.5 percent including dividend.

Amsterdam performs better than world index

The total return on shares, including paid dividends, was -14.2 percent in the second quarter. Amsterdam did better than the world average. The MSCI world total return index – in euros – fell by 19.6 percent in the same period. The fall in this global index was largely caused by the falling value of the American dollar and the pound sterling. The dollar lost 14 percent against the euro in the second quarter of 2002.

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Total share yield negative in all sectors of industry

The second quarter showed negative results in all the sector indices calculated by Statistics Netherlands. The largest losses were for trade (-27.0 percent) and capital goods (23.5 percent) companies. Shareholders in construction companies had the smallest losses: -0.4 percent.

Share investment funds lag behind index

The results of Dutch investment funds investing in shares lagged behind the market average. The return for investment funds investing worldwide was -22.1 percent, while the MSCI world total return index fell by 19.6 percent. With a yield of -15.6 percent, investment funds putting their money in Dutch shares performed worse than the average of all Dutch shares (-14.2 percent).