



Journal of Economic Perspectives

ISSN 0895-3309 (Print) | ISSN 1944-7965 (Online)

≡ Menu

Trading Activity and Price Behavior in the Stock and Stock Index Futures Markets in October 1987

James F. Gammill

Terry A. Marsh

JOURNAL OF ECONOMIC PERSPECTIVES

VOL. 2, NO. 3, SUMMER 1988

(pp. 25–44)

Download Full Text PDF
(Complimentary)

Article Information

Comments (0)

Abstract

This paper discusses what actually happened during the October 1987 market break and the days immediately before. It attempts to lay out a set of stylized facts that describe differing categories of traders and how they behaved and reacted to each other during those days. We believe that this description of what actually happened

provides a necessary starting point for financial economists interested in explaining the market break. Our discussion here will rely heavily on the report of the Presidential Task Force on Market Mechanisms. [Both authors were staff members with the Presidential Task Force on Market Mechanisms.] We focus on

This website uses cookies.

By clicking the "Accept" button or continuing to browse our site, you agree to first-party and session-only cookies being stored on your device to enhance site navigation and analyze site performance and traffic. For more information on our use of cookies, please see our [Privacy Policy](#).

Accept

trading activity on the New York Stock Exchange (NYSE) and on the S&P 500 stock index futures contract traded on the Chicago Mercantile Exchange (CME).

Citation

Gammill, James F., and Terry A. Marsh. 1988. "Trading Activity and Price Behavior in the Stock and Stock Index Futures Markets in October 1987." *Journal of Economic Perspectives*, 2 (3): 25–44.

DOI: 10.1257/jep.2.3.25

Choose Format:



JEL Classification

313 Capital Markets–Empirical Studies, Including Regulation

Copyright 2024 American Economic Association. All rights reserved.

[Terms of Use](#) & [Privacy Policy](#)

This website uses cookies.

By clicking the "Accept" button or continuing to browse our site, you agree to first-party and session-only cookies being stored on your device to enhance site navigation and analyze site performance and traffic. For more information on our use of cookies, please see our [Privacy Policy](#).

Accept