Document 2057

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Why is the stock market suddenly so volatile?
p:e-u-x _ q:i-h-h n:x n:x a:e-e comp:e-u-u a:e-p _
   [22057002]
                                                                                                                                                                                                                                                                                                                    did a now familiar dance : It plunged 60.25 points before lunch , with most of the drop occurring in 25 reverse q:i-h-h a:e-e a_with:e-p-i n:x _ pron:x v_into:e-i card:i-i-c
                                                                      the Dow Jones Industrial Average did q:i-h-h named:x-c named:x-c named:x-c named:x-c named:x-c v:e-i--
                                                           it rebounded to finish down only 18.65 points or v:e-i x:e-h-h v:e-i-p p:e-u-i _ card:i-i-c n_of:x .
   And those swings paled beside Friday 's 190.58-point plunge and Monday 's 88.12-point recovery c:i-i-i q_dem:i-h-h n:x v:e-i p:e-u-i dofw:x-c _ n_of:x n_of:x-i _ dofw:x-c _ n_of:x n:x
   " It 's madness – that in an hour you can whack off so much value , " says Stanford Calderwood , chairman of Trinity Investment Management Corp. , Boston pron:x v_id:e-p-i n:x-h excl:i-c _ p:e-u-i card:i-i-c n:x pron:x v_modal:e-h v_off:e-i-i _ comp:e-u-u much-many_a:e-p n:x _ v_to:e-i-h-i named:x-c _ nam
                                                                                                       , it is here to stay pron:x place_n:x x:e-h-h v:e-i
 And , apparently c:i-i-i _ a:e-h
   [22057007]
                                                                                                               , senior quantitative analyst at Merrill Lynch & Co , says , "My gut feel is that we 'll live with those swings for a while ." _ a:e-p a:e-p n:x p:e-u-i named:x-c n:x n:x _ v_to:e-i-h-i _ q:i-h-h n:x n_of:x-i v_nv:e-i-h _ pron:x _ v:e-i p:e-u-i q_dem:i-h-h n:x p:e-u-i n:x n:x _ _ _
      Richard Bernstein
named:x-c named:x-c
                                      are many reasons for the market 's jumpiness : new trading vehicles such as stock-index futures and options ; computer-driven strategies like program trading ; and crowd psychology . v_there:e-i much-many_a:e-p n_for:x-i _ q:i-h-h _ n:x _ n:x _ n:x _ n:x _ n:x _ v:e-i-p _ n_of:x-i _ p:e-u-i _ n_of:x-i 
                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  _and_c
But most are linked by a single theme : liquidity — the ability to get in and out of the market quickly c:i-i-i q:i-h-h a:e-p n_of:x-i = n:x _ q:i-h-h n:x-h _ v_state:e-i-h p:e-u-i _ p:e
   Prices are moving up and down so fast because investors are employing ways to turn over shares at ever-faster rates and increasingly acting in concert n_of:x v:e-i p:e-i _ p:e-i _ comp:e-u-u a:e-e x:e-h-h n:x _ v:e-i-p n_of:x-h _ v_over:e-i-i _ n_of:x p:e-u-i a:e-i n_of:x-i _ a:e-e v:e-i p:e-u-i n:x _
   [22057011]
 ARG2
 "We watch the same indicators and listen to the same prognosticators pron:x v:e-i-p q:i-h-h a_as:e-i n_of:x-i _ v_to:e-i-i _ q:i-h-h a_as:e-i n:x
 Like lemmings , we tend to move in the same direction at same time . "
p:e-u-i n:x _ pron:x v:e-h _ v:e-i p:e-u-i q:i-h-h a_as:e-i n_of:x-i p:e-u-i a_as:e-i n_of:x _ p:e-u-i 
  And that , naturally , exacerbates price movements c:i-i-i x:x _ a_for:e-e _ v:e-i-p n_of:x n_of:x-i
   [22057016]
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