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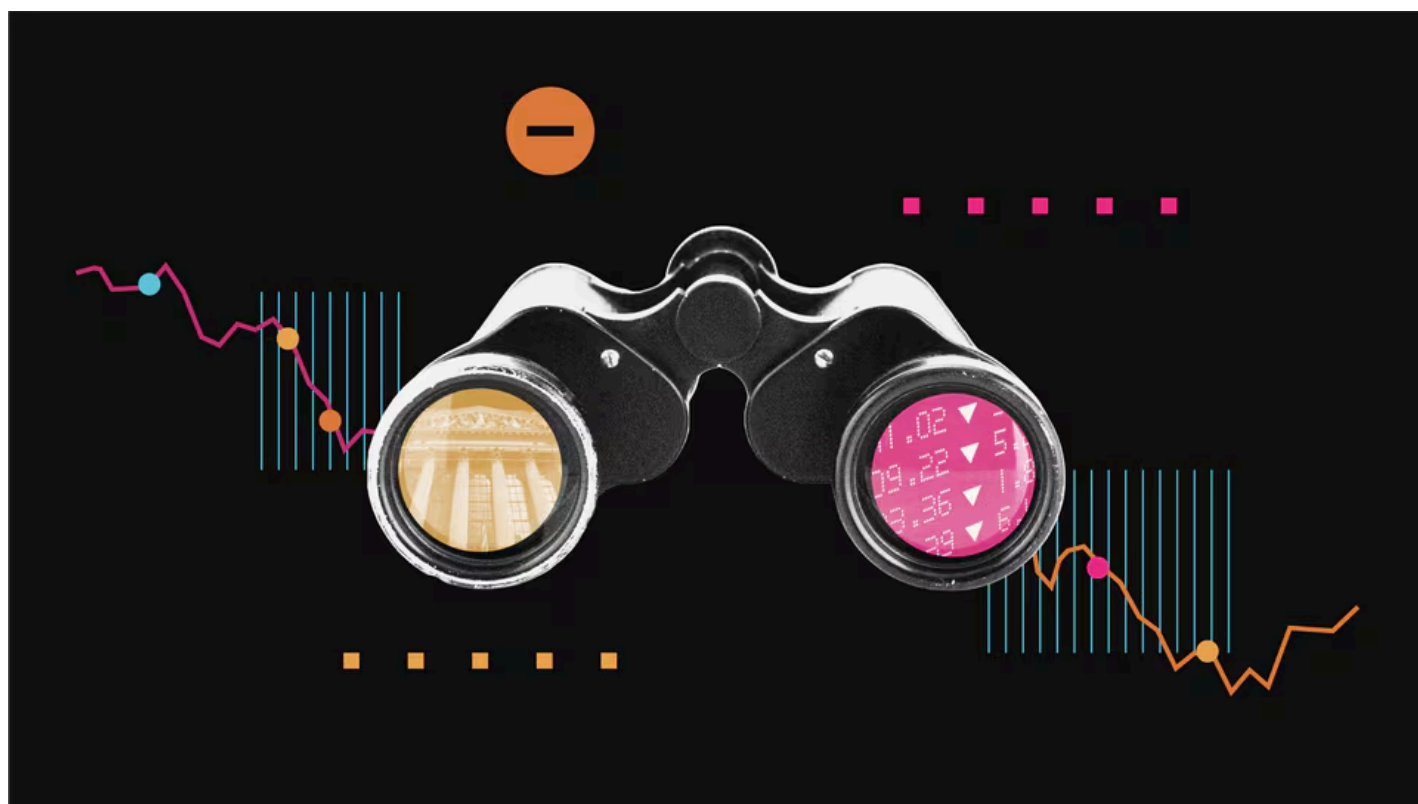
A Disorderly Selloff Becomes Orderly

In all, it was a tough morning, but hardly a rout.



[Russel Kinne](#) • Aug 5, 2024

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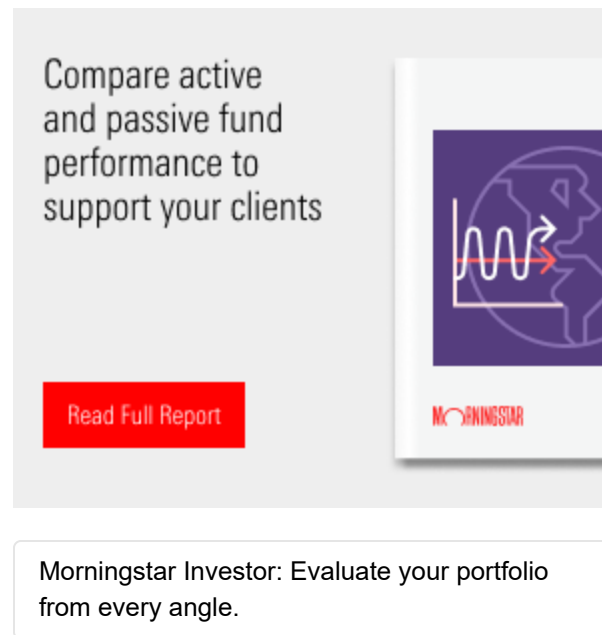


Stocks are down this morning, but things seem fairly calm after a panicky selloff in Japan.

It all started with [a soft US unemployment report](#) on Friday. The jobless rate popped from 4.1% to 4.3%. That's still very low, and follows a long run of strong-to-solid jobs figures.

After the US stock market closed Friday, reports emerged that market leader Nvidia [NVDA](#) would [delay its next chip release](#). Then came [a sharp selloff in Japan](#), where the

market dropped nearly 13%; a surging yen was blamed. Bitcoin, which trades 24/7, also plummeted below 50,000. As has been noted, though some consider it a store of value, in practice the cryptocurrency acts a lot like a leveraged bet on tech stocks. All this reporting comes with the huge caveat that we only have a rough idea of why the markets move in real time.

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The selloff spurred some overnight calls for the Fed to cut interest rates immediately rather than wait for September, as it has signaled. Things settled down pretty quickly when the US opened, though. As I write this at 9:45 a.m. in Chicago, the stock market is down 3.2% (per the Morningstar Market Index). That's well off the lows we hit near the opening. Nasdaq is down 3.6%, while Nvidia is down 7.6%. Bitcoin is now at 53,000—still down 7%, but at least showing a rebound.

In all, it was a tough morning, but hardly a rout. Some websites that want to scare investors say the Dow is down 1,000 points because it sounds like a big number, but it's only 2.6%—and the Dow is a pretty outdated, rickety, price-weighted index anyway.

Is this the start of a big movement, or just a blip? I don't know, but as always, I will follow Jack Bogle's advice for down markets: "Don't just do something; sit there!"

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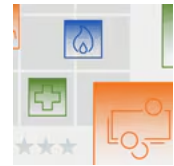
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