

New York Stock Exchange halts operations for nearly four hours

Barry Grey
9 July 2015

The New York Stock Exchange (NYSE) halted trading for nearly four hours Wednesday in the midst of a sell-off triggered by the ongoing plunge on Chinese markets and the looming default of Greece.

The Shanghai Composite's 5.9 percent plunge, adding to a 30 percent drop over the past three weeks, was the biggest factor pushing US stocks sharply lower in early trading.

In the longest trading halt since the one-week closure of US stock exchanges following the September 11, 2001 terror attacks on New York and Washington, the NYSE halted operations at 11:32 AM and resumed trading at 3:10 PM. Exchange officials attributed the shutdown to a "computer glitch" and said it was not the result of an external cyber attack or other "malicious action."

The shutdown was by far the longest ever trading halt attributed to computer problems.

The White House, the US Homeland Security Department and the Securities and Exchange Commission all issued statements affirming that there were no indications of a hostile attack on the biggest US stock exchange. The Federal Bureau of Investigation announced that it had no cause to initiate an investigation.

Stocks listed on the NYSE continued to be traded on other exchanges during the NYSE shutdown. When the NYSE's operations were halted, the Dow Jones Industrial Average was down by close to 200 points, and the Standard & Poor's 500 and Nasdaq indexes had each declined by more than 1 percent. Stocks continued to drift downward during the NYSE blackout, and the decline accelerated during the final 50 minutes of trading after the exchange reopened.

The Dow ended the day with a loss of 261 points (-1.47 percent), the S&P 500 dropped 34 points (-1.67

percent), and Nasdaq fell by 87 points (-1.75 percent).

It was unclear at the close of the trading day how much economic damage had resulted from the sudden closure. No further explanation had been given as to the cause of the shutdown. However, brokers reported that technical problems had emerged at the opening bell.

Reuters quoted one broker as saying, "It was a mess from the open." He said some Internet ports to the NYSE either would not connect or would suddenly disconnect, a problem that continued until officials decided to halt operations.

Suspicious and alarm over the NYSE shutdown were increased by the fact that two other major disruptions occurred at around the same time on Wednesday. At 8:00 AM, United Airlines grounded all of its flights worldwide as a result of what it called a "network connectivity issue" linked to a "router malfunction." The airline did not resume operations until 9:49 AM.

The *Wall Street Journal*'s web site went down at about the same time the NYSE halted its operations. The site remained off-line for two hours.

NYSE and government officials said the three events were not related to one another.



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact