

Percent change and the stock market

Every night on the news lately, we hear about the alarming percentage change of the Dow (Dow Jones Industrial Average).



We found these charts on Wikipedia that rank the largest daily point loss and gains of the Dow.

Largest daily point gains

Rank	Date	Close	Change	
			Net	%
1	2020-03-24	20,704.91	+2,112.98	+11.37
2	2020-03-13	23,185.62	+1,985.00	+9.36
3	2020-04-06	22,679.99	+1,627.46	+7.73
4	2020-03-26	22,552.17	+1,351.62	+6.38
5	2020-03-02	26,703.32	+1,293.96	+5.09
6	2020-03-04	27,090.86	+1,173.45	+4.53
7	2020-03-10	25,018.16	+1,167.14	+4.89
8	2018-12-26	22,878.45	+1,086.25	+4.98
9	2020-03-17	21,237.38	+1,048.86	+5.20
10	2008-10-13	9,387.61	+936.42	+11.08
11	2008-10-28	9,065.12	+889.35	+10.88
12	2020-04-08	23,433.57	+779.71	+3.44
13	2019-01-04	23,433.16	+746.94	+3.29
14	2020-03-30	22,327.48	+690.70	+3.19
15	2018-03-26	24,202.60	+669.40	+2.84
16	2015-08-26	16,285.51	+619.07	+3.95
17	2018-11-28	25,366.42	+617.70	+2.50
18	2018-02-06	24,912.77	+567.02	+2.33
19	2008-11-13	8,835.25	+552.60	+6.67
20	2018-10-16	25,798.42	+547.87	+2.17

Largest daily point losses

Rank	Date	Close	Change	
			Net	%
1	2020-03-16	20,188.52	-2,997.10	-12.93
2	2020-03-12	21,200.62	-2,352.60	-9.99
3	2020-03-09	23,851.02	-2,013.76	-7.79
4	2020-03-11	23,553.22	-1,464.94	-5.86
5	2020-03-18	19,898.92	-1,338.46	-6.30
6	2020-02-27	25,766.64	-1,190.95	-4.42
7	2018-02-05	24,345.75	-1,175.21	-4.60
8	2018-02-08	23,860.46	-1,032.89	-4.15
9	2020-02-24	27,960.80	-1,031.61	-3.56
10	2020-04-01	20,943.51	-973.65	-4.44
11	2020-03-05	26,121.28	-969.58	-3.58
12	2020-03-27	21,636.78	-915.42	-4.06
13	2020-03-20	19,173.98	-913.21	-4.55
14	2020-02-25	27,081.36	-879.44	-3.15
15	2018-10-10	25,598.74	-831.83	-3.15
16	2019-08-14	25,479.42	-800.49	-3.05
17	2018-12-04	25,027.07	-799.36	-3.10
18	2020-03-03	25,917.41	-785.91	-2.94
19	2008-09-29	10,365.45	-777.68	-6.98
20	2019-08-05	25,717.74	-767.27	-2.90

On October 13, 2008 the Dow gained 936.42 points which was a change of + 11.08%.

On March 17, 2020 the Dow gained 1,048.86 points (just a little more than was gained on Oct 13, 2008) which was a change of + 5.20%.

1. Is the percent change calculated correctly? (Please show your work.)
2. Why do you suppose there is such a difference in what percent was gained?
3. Show another percent or point change that seems impossibly different.
4. Do you think that the news report should emphasize the percent change of the Dow or the number of points that the Dow has changed? Which method seems more informative to you?

On March 9, 2020, newspaper headlines read:

Dow plunges more than 2,000 points, biggest decline since 2008, as coronavirus fuels market turmoil

5. Did the headline refer to the Dow Jones Average percentage change or the number of Index points?

Source: https://en.wikipedia.org/wiki/List_of_largest_daily_changes_in_the_Dow_Jones_Industrial_Average

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