Markets react to attacks

European stocks dive; Tokyo index under 10,000; oil values rise

By BRUCE STANLEY
The Associated Press

LONDON — Shocked investors sent European share prices sharply lower and panic buying caused oil and gold prices to soar in response to the apparent terrorist attacks Tuesday in New York and Washington.

Later, in Japan, the benchmark 225-issue Nikkei Stock Average fell 519.24 points, or 5.04 percent, to end this morning's session at 9,773.71, falling below the 10,000 mark first time since August 1984.

The London Stock Exchange evacuated its headquarters as a precaution against a possible attack, although a spokesman said trading was continuing at an undisclosed alternative site.

The International Petroleum Exchange suspended trading of crude oil and refined products for an hour to catch up on an unusually heavy volume of transactions.

Among the biggest losers were stocks in insurance companies and airlines, after hijacked passenger planes plowed into both towers of the World Trade Center.

"It's a disaster. It throws the whole market background into chaos. . . . Banks, insurers will fall the most — anything that's exposed," said Mike Lenhoff, a portfolio strategist at London brokerage Gerrard.

The FTSE 100 index of British blue chip shares closed down 5.7 percent from Monday to 4,746.0.

The Deutsche Boerse's Xetra DAX index plummeted as much as 11.4 percent lower before closing the day 8.5 percent lower at 4,273.53.

The Paris Stock Exchange's CAC 40 index tumbled 7.4 percent to 4,059.75.

The Mib30 index in Milan, Italy, finished the day down 7.7 percent at 29,112.

Contracts of North Sea Brent crude oil for October delivery shot up $3.60 to $31.05 per barrel on the IPE.

Gold surged along with oil. The price later was fixed at $287 per troy ounce — a jump of $15.50 from Monday afternoon.

In related news Tuesday:

■ OPEC "will do everything possible" to help maintain stable oil prices after apparent terrorist attacks against the United States sent oil prices surging by as much as $3 a gallon, the organization's secretary general said.

"We will do everything possible, everything in our power, to maintain stability," said Ali Rodriguez in a Tuesday interview with Caracas, Venezuela's Union Radio.

Rodriguez hoped that the United States will not make "blind retaliations" for the attacks "that instead of resolving the problem, will aggravate them."

He fell short of saying whether the Organization of Petroleum Exporting Countries would increase production when it meets in Vienna on Sept. 27.

Staff photo — Duane A. Laverty

Peter Seale (right) of Pinkerton Security monitors the front door of Richland Mall as shoppers Laura Warwick (middle) and Sarah Cantu wait outside.

Banks open; business slow

Richland Mall closes, restaurants quiet; money flow still safe

By MIKE COPELAND
Tribune-Herald business editor

Local banks opened for business Tuesday, but terrorist attacks in New York and Washington, D.C., prompted Richland Mall to close early.

First National Bank of Central Texas took the precautionary step of making hard copies of its customers' computerized bank records, said spokesman Monte Hulse.

"We didn't want to overreact," said Hulse, "but we did want to be prepared."

Federal Reserve chairman Alan Greenspan assured the public that the nation's money flow would not be disrupted, despite the tragedy at the World Trade Center in New York City.

No local banks reported problems processing credit card transactions. "But that is a situation we've been watching very closely," said Rodney Kroll at Texas First State Bank. "The last time the World Trade Center was bombed (1993), systems were affected nationwide for about two weeks."

"This is probably worse than Pearl Harbor, as far as an attack on our nation," said Gary Self, who manages the Sears store at Richland Mall. He added that traffic at the store Tuesday "is very poor, as one would imagine. Anyone who even thought about buying something today probably decided to stay at home and follow the situation."

Richland Mall manager Kandace Menning closed the mall at 1 p.m., though she said the department stores with their own outside entrances could stay open if they wished.

"We've had a handful of corporate offices calling the stores on the mall and instructing them to send their personnel home. This was a national initiative on their part," said Menning. "I thought closing the mall was the right thing to do. I've talked to other shopping centers across the country. A lot of them are closing out of respect for what's happening today. They're letting families be together."

Across town at Lake Air Mall, Goldstein-Migel closed two hours early.

Essential items available

H-E-B spokeswoman Kate Brown said the grocery chain has not altered its hours, but it is making sure stores in Texas are well-stocked with such items as bottled water and canned goods.

Several stores and restaurants reported small crowds Tuesday.

"Our lunch business was definitely off today. I think everybody is kind of in shock," said Joe Griffin, who manages George's Restaurant & Catering.

"It's been very slow. Everybody is watching TV," said Brandace Moore, a manager at J.C. Penney.

Daryl Nagel, manager on duty at Waco's Target store, reported a run on portable television sets.

"We pulled everything out of the back and put them on the floor," said Nagel. "I think people were taking them to work with them. That helped keep our sales at a normal level."

The investment exchanges — NASDAQ, the American Stock Exchange and the New York Stock Exchange — will remain closed today, they announced Tuesday.

Mike Copeland can be reached at mcopeland@wacotrib.com or at 757-5736.

U.S. markets closed today

NYSE, N.Y. Mercantile Exchange are near World Trade Center

By LISA SINGHANIA
The Associated Press

NEW YORK — U.S. securities markets came to a halt Tuesday after a terrorist attack leveled the World Trade Center and left the nation's financial center in chaos.

All U.S. exchanges and markets decided to close for the day, and late in the afternoon, officials of the New York Stock Exchange, Nasdaq Stock Market and American Stock Exchange said they would remain shut today. The NYSE is just a few blocks from the devastated center.

"As a safety precaution while the tragic events of today are sorted out, the securities markets have decided not to open for trading today," Securities and Exchange Commission chairman Harvey Pitt said in a statement in late morning. "We strongly support that decision."

It was likely that it would take at least a few days before activity could fully resume because of the destruction of the towers and the damage caused to surrounding businesses by the two hijacked planes that crashed.

Many of the nation's investment firms have at least some of their operations in the World Trade Center or surrounding buildings, possibly limiting their ability to restart quickly. And the New York Mercantile Exchange, where energy futures are traded, is located in the nearby World Financial Center.

Much of the downtown district was evacuated. It was difficult to make phone calls to the downtown business district and throughout Manhattan.

The collapse of both of the World Trade Center skyscrapers and the attack on the Pentagon in Washington added to the paralysis and terror already engulfing the financial district. The fate of the 50,000 people who work in the twin 110-story towers was not immediately known.

Hundreds of companies sent their employees home for the day, putting thousands of New Yorkers into the streets after public transportation was shut down for

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