
The Stock Market Crash of 1929 had a dramatic impact on the primary stock market indices as prices declined. The Dow Jones Industrial Average declined from 381.17 on September 3 to a low of 198.69 on November 13, a decline of 48%. The S&P Composite declined from 31.92 on September 7, to 17.66 on November 13, a decline of 45%. Was the decline universal throughout the United States?

In the 1920s, there were a number of regional exchanges where local stocks were listed. If a stock does an IPO today, it usually will list over the counter where the shares can be traded electronically throughout the United States, but in the 1920s, there were still regional exchanges that listed regional stocks. A stock from Illinois would list on the Chicago Stock Exchange, one from Massachusetts on the Boston Stock Exchange.

In California, you had exchanges in both Los Angeles and in San Francisco. The San Francisco Stock Exchange was formed in 1882 and the Los Angeles Stock Exchange was formed in 1889. The two exchanges merged to form the Pacific Stock Exchange in 1957. The Pacific Stock Exchange was bought out by Archipelago Holdings on September 27, 2005 which was in turn acquired by the New York Stock Exchange in 2006.

We recently discovered that the Los Angeles Stock Exchange had a stock exchange index in 1929. We only found two articles on the index, but we were able to obtain the values for the index for 1929 to see how stocks on the West Coast performed relative to stocks in New York.

In an article in the Commercial and Financial Chronicle, John Earle Jardine, president of the Los Angeles Stock Exchange, noted that “the speculative attention soon was attracted to the nationally known industrial and utility issues which were vigorously sponsored by certain groups, of which issues only a few are listed on our Exchange.” Consequently, stocks on the Los Angeles Exchange failed to rise as much as the New York stocks and consequently, declined less.

The Los Angeles Stock Exchange calculated a general index of 30 common stocks as well as sector indices of 10 oil stocks, 10 industrial stocks and 10 financial stocks. The indices had a base of January 31, 1929 equal to 100.

The timing of the decline in stocks differed from New York. The Los Angeles Stock Exchange Index reached its high on May 13 at 103.5 and declined to 73.1 on December 30, declining a little less than 30%. The oil stocks were hit the hardest by the crash, falling to 65.6, losing over 35% of their value. The 10 Industrials fell to 75.8 and the Financials fell to 77.6.

The recovery from the December 30 low also varied from one group to the other. The index of 30 common stocks had recovered to 83.3 by April 26, 1929, the 10 oils to 78.2, the 10 Industrials to 90 and the 10 Financials to 81.2. Of the three groups, the Industrials recovered the most quickly, and the Financials were the laggards.

Among individual stocks, utilities apparently bounced back the strongest, including Edison,

Pacific Lighting and Pacific Gas. Standard Oil of California and Union Gas had also fully recovered their losses by April of 1930.

Unfortunately, we were unable to find additional information on the index. We were unable to determine either which stocks were included in the index, who calculated the index, whether it was price-weighted or capitalization-weighted, and what happened to the index after April 1930.

Nevertheless, it provides an interesting insight into the 1929 Stock Market Crash. The data for the index are published below for everyone to look over.

As part of the United States Stock Market Project, we will be adding monthly data on stocks from both the Los Angeles and San Francisco Stock Exchanges from 1906 to 1936 and this will enable researchers to analyze in more detail how stocks behaved during the Great Depression outside of New York.

Sources

“Stock Indices Rally Tardily,” *Los Angeles Times*, April 27, 1930, p. 14 Jardine, John Earle, “The Los Angeles Stock Exchange,” *Commercial and Financial Chronicle*, March 8, 1930, p. 1589 “Pacific Exchange,” Wikipedia.

Los Angeles Stock Exchange Index of 30 Common Stocks

01/02/1929	96.7	07/10/1929	96.7
01/09/1929	96.6	07/17/1929	96.8
01/16/1929	96.2	07/24/1929	95.1
01/23/1929	99	07/31/1929	95.7
01/30/1929	99.5	08/07/1929	97.2
01/31/1929	100	08/14/1929	97.5
02/06/1929	98.1	08/21/1929	98.6
02/13/1929	96.7	08/28/1929	99.8
02/20/1929	96.5	09/04/1929	100.4
02/27/1929	97.9	09/11/1929	100.2
03/06/1929	97.9	09/18/1929	101.9
03/13/1929	99.3	09/25/1929	99.7
03/20/1929	102.1	10/02/1929	100
03/27/1929	99.7	10/09/1929	98.7
04/03/1929	100	10/16/1929	97.5
04/10/1929	99	10/23/1929	90.5

04/17/1929	100.6	10/30/1929	83.9
04/24/1929	100.1	11/06/1929	81.7
05/01/1929	100.9	11/13/1929	76.1
05/08/1929	102	11/20/1929	79.3
05/13/1929	103.5	11/27/1929	77.4
05/15/1929	101.5	12/04/1929	78.5
05/22/1929	99.3	12/11/1929	79.2
05/29/1929	96.4	12/18/1929	76.6
06/05/1929	98	12/23/1929	73.3
06/12/1929	96.2	12/26/1929	73.6
06/19/1929	97.1	12/30/1929	73.1
06/26/1929	97.3	04/26/1930	83.3
07/03/1929	97.5		