



JIM C QUIZ OF THE WEEK MONDAY – 10/13/08

← [Linear](#) graph of the DJIA from 1896 through 03/2008

Global cooperation and direct commercial investment will resolve the credit crisis and calm the wild Dow Jones roller coaster ride.

HOW DID “DOW JONES INDUSTRIAL AVERAGE” ORIGINATE?

AKA: Often referred to as "the Dow" or Dow Jones, the DJIA is the oldest and single most watched stock market index in the world.

Origin (Edinformatics): Contrary to popular belief, the DJIA was first published on May 26, 1896, by Charles Dow in *Customer's Afternoon Letter*, not the *Wall Street Journal*. It represented the average of twelve stocks from various important American industries. Only General Electric now remains a part of the index.

Definition: A price-weighted average of 30 actively traded blue chip stocks, primarily industrials, chosen by the editors of the *Wall Street Journal (WSJ)*, which is published by Dow Jones & Co.

Calculation: The Dow is computed using a price-weighted indexing system. The editors at WSJ add up the prices of all the stocks and then divide by the number of stocks in the index.

Conventional Wisdom: The Dow = Granddaddy of U.S. market indexes

Moment of Zen: The Dow is only one snapshot of investor confidence