Writing

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Retrospective

A New Year, A New Leaf, A Look Back

As the Dow crosses the 3300 threshold and both Main Street and Wall Street await the policies of a new president, it is worth taking a look back on Wall Street history as represented by two analysts in the Equity Research Department, Peter Ingersoll and Newton Zinder. Newton is retiring as 1992 comes to a close, while Peter will be a Lehman consultant.

Newton, currently a technical market analyst, started his career in the markets on the day Dwight D. Eisenhower was sworn in as president — January 20, 1953. The Dow then stood at 288. In the intervening years, market volume would rise from an average 1 to 1.5 million a day ("2 million was considered active," he notes) to the roughly 200 million a day now routinely achieved.

"There was nothing electronic. If you wanted a quote on a stock, you called down to the order room; that guy called a clerk; the clerk went to the specialist [on the floor of the Exchange]. It took you 10 minutes to get a quote."

As the 1950s turned into the 1960s, their paths crossed: Peter began work at E.F. Hutton, his initial Wall Street employer, on May 4, 1959; Newton's firm Ira Haupt & Co. was acquired by Hutton 14 months later, in July 1960. In ct, Peter notes wryly that his accumulated Street wisdom requires him to "re–emphasize what I learned from Newton Zinder...'Don't Fight the Tape'. Based on what I perceived to be favorable fundamentals, I have occasionally fought the tape — and without exception, the tape was right and I was wrong."

And the tape kept right on rolling along. Peter's memorable Street experiences include the ups and downs that affected his industry in detail: "at least seven bear markets, ranging from my first (triggered by the Kennedy/U.S. Steel confrontation) in the spring of 1962, through the seemingly endless decline from 1968 to 1974, and, of course, the crash of 1987, and the bull market in silver in the early to mid 1960s as the U.S. Treasury exhausted its silver reserves." Peter also cites "runaway metals prices in the late 1970s, followed by the oil companies' buying binge of copper companies in the early 1980s" as highpoints — as well as his rejoining of SLB in 1987, when it ranked roughly 17 in the *Institutional Investor* poll, and being part of the team that has been number one for three years. Newton's cavalcade of moments includes beginning to write his Market Comment in 1963 and having to deal with the Kennedy assassination — which caused panic and temporary closing of the markets — shortly thereafter; like Peter, he also points to the 1987 crash as a clear candidate for the Wall Street Moments Hall of Fame.

Also, for Newton, the continuing volume upsurge swelled the tape, leading to a time when the tape didn't keep rolling along. Volume in the late 1960s had risen exponentially (although it was still less than 10 million); in fact, Newton points out that the markets closed one day a week late in the decade to deal with the book–keeping backlog from the then–existing volume increase. "Marketless Wednesdays" existed until the electronic age, represented by the PC and Quotron flanking his desk, was ushered in.

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The industry has been roiled in this period by ebb and flow not only within the markets but within the companies associated with them; those who think mergers and acquisitions were a 1980s phenomenon should know that Newton and Peter's careers alone have spanned multiple combinations in addition to the aforementioned Haupt acquisition. "I've worked for nine firms," Peter says "(and I think 15 research directors), and only three of those firms (Prudential Bache, Salomon Brothers, and Shearson) are still in business. Shearson acquired three of my former employers; the other three were bought by other parties or are out of business."

Starting on January 4, 1993, Peter will become a Lehman consultant in the mining and metals area, working out of Telluride, Colorado — "tough duty, but somebody must do it!" Newton, meanwhile, will be "doing something I've never done before — relax." His retirement will provide more opportunity to visit his children and grandchildren, who are far-flung throughout the U.S., and to enjoy leisure time at his house in Long Island. He also notes that he intends to continue to follow the markets with interest and enthusiasm — no doubt until the Dow flirts with 5000 and 24-hour a day volume hits 500 million!

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