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From: Rory Robertson (NY)
Sent: Wednesday, 12 September 2001 8:11 AM (Sydney time)
To: Usual list
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Unimaginable events rock US

by Rory Robertson ([1 917 821 2724](tel:19178212724))

**This is my account of some of the terrible things that happened in New York City today, followed by some thoughts on the financial-market implications.

**Like many others, I was way too close to the action. I am pretty shaken, though have not even a scratch. Thank you to all those who called to see that I am okay.

**At about 8.45am, we were on the ground floor of the World Trade Centre Marriot listening to the breakfast speaker at the NABE (National Association for Business Economics) conference when what turned out to be the first hijacked plane hit our tower.

**There was a bit of a bang and the building shook. We all looked at each other across the table, wondering. Earthquake? Presumably everyone else was also thinking about the 110 floors above us. Then the building shook again. Everyone ran for the door and then the foyer. The move was reasonably orderly. I noticed dust and smoke coming from one lift well; probably it was a bomb (as in 1993), I thought? I was terrified, but okay.

**Everyone was keen to get out into the street, but we didn't really know how frightened to be. On getting to the foyer, you could see the debris outside on the ground. Hotel officials told people not to go outside, as things might still be crashing down. Maybe five minutes later, people moved outside and we could see the hole near the top of the building. And the fire. It was mind-numbing sight.

**Thousands of people were spilling out into the street from buildings in the financial district, but none of us had much idea what had happened. Someone said it was a missile; another said a helicopter had crashed into the tower. So it might have been an accident?

**I didn't have a clue what to do. I guessed the conference was over. Growing crowds were milling around. Like everyone else, I kept looking up, marvelling at the hole and the fire near the top of the first tower. I didn't see people jumping out, but many were talking about it. I noticed a car torn in half and an engine that seemed to have flown out of nowhere. I tried to ring Gwen and Matt (they knew I was in the WTC today) to let them know I was okay. The mobile wouldn't work but eventually Gwen got through, and she Bloomberged Matt at work for me. I tried to ring my brother in Brisbane, but the mobile wouldn't call out.

**I figured I would walk downtown away from the WTC and then walk to midtown via the East side. As I started to move away, I observed debris here and there, the sorts of things you would expect to see when a passenger plane explodes. I was maybe 250 yards from the WTC when I looked up and saw the second plane fly directly - maybe 150 yards - above me. Instantly, I knew it was going to hit the tower. I didn't watch, I didn't see it hit. I just ran, maybe 50 yards towards an alley behind a building, terrified that the debris could easily carry to where I stood.

**As I ran, I heard the explosion as the second plane hit. I made the alley, and hugged the near-side of the building. My thought was that the building was high enough to block out

any flying objects, but looking around the alley I could see bits and pieces from the first plane. A young Japanese woman stumbled into the alley, crying and very distressed. We hunkered against the wall. I put my arm around her shoulder and told her that we were safe, at the same time hoping that we were. It was like being in the middle of a disaster movie; it was hard to credit what was unfolding all around.

**After waiting a few minutes, I started walking quickly to the bottom of the island, before heading East and then uptown. Looking over my left shoulder, I could see the holes in the two towers, and the fires. My head was still spinning. People in the street were watching, some crying, most stunned. One guy walking beside me said the US was now at war; I said that it would have been a terrorist group, not a nation, that had attacked. He said it didn't matter.

**My brother Alisdair called, and I said I was fine. He asked if the buildings were still standing. I said yeah, marvelling at how little the first tower had shaken, given that it was hit by an airliner. I was nearly back to midtown when someone said that the WTC had collapsed; I said no, it was hit by two planes. He said no, a tower had collapsed. I got home and watched the second tower collapse live on TV; I also saw replays of the plane that had flown above me. Scary.

**My main thought is that many thousands of people would have been standing nearby watching before the first building suddenly came crashing to the ground. It might have been an hour after the first hit, so there would also have been hundreds of police and firemen working in the area. I thank my lucky stars that I was on the ground floor and so was able to leave the building pretty quickly. I thank my lucky stars that I moved out of the area after the second plane hit, well before the buildings started collapsing, sending many football fields of rubble crashing through the streets. I shudder to think how many hundreds, probably thousands of people have been killed today. This is huge human tragedy.

Financial market implications

**On my long walk home, the hopeless economist within me pondered what it all meant. My thoughts are not particularly insightful. Most other economists are probably thinking the same sorts of things. This is obviously a huge global event, and there is no silver lining. The main thing that comes to mind is that when economies are weak, they are vulnerable to shocks. Even before today, the US situation was looking a bit shaky. The US economy had already stopped growing, and consumer, business and investor confidence was already under great pressure.

**Today's events are a massive shock to the system. The world has changed. It is suddenly a more dangerous place. The tallest, most-recognisable buildings in the US financial centre have been demolished. The Pentagon, no less, was hit by a third hijacked plane. My guess - like everyone else's - is that this will be a big blow to confidence in the US and elsewhere. Consumers, businesses and investors will be a bit more inclined to hunker down.

**The risk is that the news on the US economy in coming months will now get worse rather than better. The sharp fall in aggregate hours worked in August on Friday added to the possibility that GDP growth in Q3 could be weaker than in Q2. US equity prices were already breaking through to new lows for the year; that wasn't supposed to happen, according to the consensus. One now has to be more worried about the prospects for US equity markets. My 3% Fed funds forecast clearly has increased downside risk; 2% might ultimately be where it goes.

**US markets are closed until further notice. According to the TV, the knee-jerk reaction all round the world has been out of equities into the relative safety of Government bonds and the short ends of the world. It's hard to argue with that. Gold and oil prices have also jumped, as they would.

**Over and out. Best wishes to you and your loved ones.

Regards,
Rory

Rory Robertson
Interest-Rate Strategist
Macquarie Equities (USA)