

OIG Trip Prep: NYSE

What is a stock exchange?

- A stock exchange is a corporation mutual organization which provides “trading” facilities for stock brokers and traders to trade stocks and other securities.
- Provide facilities for the issue and redemption of securities as well as other financial instruments and capital events

NYSE Fast Facts

- Largest stock exchange in the world by US dollar value of its listed companies' securities
- Oldest stock exchange in US
- In October 2008, the combined capitalization of all domestic NYSE listed companies was \$10.1 trillion
- Became a public entity in 2005 following the acquisition of electronic trading exchange Archipelago

NYSE Fast Facts (continued)

- Operated by NYSE Euronext
- Nicknamed "Big Board"
- More than half of all NYSE trades are conducted electronically
- Moving toward electronic trading to compete with NASDAQ

History

- Founded in 1792 when the Buttonwood Agreement was signed by 24 stock brokers on Wall Street in NY
- 1934 - Registered with US Securities and Exchange Commission



Trading

- Hours: Mon-Fri 9:30am - 4:00pm
- Continuous auction format
- Traders execute stock transactions on behalf of investors
- Hybrid Market
- 1366 “seats”
- NYSE now sells one-year licenses to trade directly on the exchange

NYSE Responsibilities

- Setting policy
- Supervising member activities
- Listing securities
- Overseeing the transfer of member seats
- Evaluating applicants

Timeline

- 1792 - The NYSE acquires its first traded securities
- 1817 - The constitution of the New York Stock and Exchange Board is adopted
- 1867 - First Stock Ticker
- 1896 - Dow Jones Industrial Average first published in The Wall Street Journal
- 1929 - Central quote system established
- 1943 - Trading floor is opened to women
- 1971 - NYSE recognized as Not-for-Profit organization
- 1977 - Foreign brokers are admitted to NYSE
- 1979 - New York Futures Exchange established

Timeline (continued)

- 1996 - Real-time ticker introduced
- 2006 - NYSE and ArcaEx merge, creating NYSE Arca and forming the publicly owned, for-profit NYSE Group, Inc.; in turn, NYSE Group merges with Euronext, creating the first trans-Atlantic stock exchange group
- 2007 - US President George W. Bush shows up unannounced to the Floor about an hour and a half before a Federal Open Market Committee interest-rate decision on January 31.[21] NYSE announces its merger with the American Stock Exchange