



... VS Nasdaq

The diagram features the NYSE logo (a vertical bar chart) and the Nasdaq logo (a stylized 'N' icon). A thin line connects the top of the NYSE logo to the top of the Nasdaq logo, with three small circular nodes on the line.

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NASDAQ History

Founded in 1971

Initially, merely a "quoting system"

Eventually became more of a stock market



NYSE History

Founded in 1792

By 1817, they adopted a constitution

Now the world's largest stock exchange



01

Main differences
between NASDAQ
and NYSE

02

Challenges faced by
NASDAQ and NYSE
in 2003

03

Challenges faced by
NASDAQ and NYSE
today

Questions

What are the main differences between NYSE and
NASDAQ in terms of their operations?



Ownership
Structure



Listing
Requirements



Business
Model

	NYSE	NASDAQ
Ownership Structure	<ul style="list-style-type: none">Incorporated as not-for-profit corporation in 1971Only member firms allowed to trade listed securities	<ul style="list-style-type: none">Restructured in 2000 into a for-profit corporationNASD-member firms and some large institutional investors were offered the chance to purchase up to 5% stake in the NASDAQ
Listing Requirements	<ul style="list-style-type: none">Company to have market cap of at least \$60 million and \$6.5 million in earnings over the previous yearsNo guarantee of listing	<ul style="list-style-type: none">NASDAQ National Market (NNM) required at least \$15 million in equityNASDAQ Small Market required \$5 million
Business Model (Revenue Streams)	<ul style="list-style-type: none">Listing Fees (33.4%)Market Data Fees (18.1%)Regulatory Fees (17.2%)Trading Fees (16.4%)	<ul style="list-style-type: none">Transaction Services (47.7%)Market Information Services (28.1%)Corporate Client Group Services (18.2%)

What are some of the challenges faced by NYSE and NASDAQ during the time this article was written (2003)?



New competitors

Electronic communication networks: Archipelago, Island & NexTrade
...



Dot-com bubble

30% of NASDAQ listed securities had prices under \$1-bar
...



Tighter regulation

Small companies delisted
Foreign companies switched to other exchanges
...

What are some of the challenges faced by NYSE and NASDAQ now?
How do you think information technology will help solve these challenges?



Stiff Competition

NASDAQ & NYSE

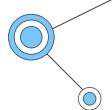
- Older and traditional exchanges
- Operational inefficiencies
- Manually intensive operations
- Limited control environment
- May still be dependent on spreadsheets

New & nimble exchanges

- Easier access
- Lower switching costs thanks to technological advancements



Digital Transformations: Reshape – Redefine – Refresh



01

Big Data Analytics

Enhanced insights (trading patterns, audit trail, market behavior, etc.)
New revenue stream enabled by data monetization opportunities

02

Robotic process automation

Increased operational productivity; ability to deploy staff on value-added activities
Improved customer service enabled by increased processing accuracy and faster response times

03

AI & Cognitive

Improved customer experience supported by digital virtual agents

04

Cloud migration

Reduced CapEx, flexible consumption models
Unprecedented access to innovation and decreased time to market

Constant & Evolving Cyber Threats



Compromise

- Integrity
- Confidentiality
- Efficiency

Impact participants profoundly

Challenge the stability of financial system

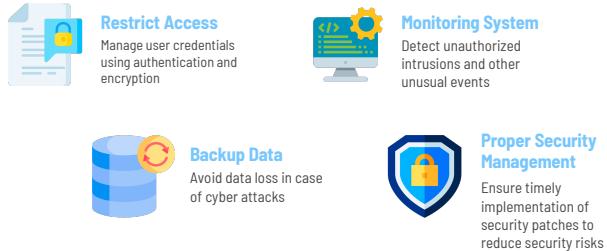


Halted trading shares in 7 companies



Exposed login credentials of brokers

Possible Stock Exchange Actions in Light of New and Evolving Cybersecurity Threats



01

What is it?

Evaluation of a firm's conscientiousness for social and environmental factors

02

How is it Measured?

There are several standards by different institutions

03

So What?

Net zero emissions theme becoming more widespread

04

Challenges

Lack of a standardization across the market



Possible Stock Exchange Actions in Light of Increasing Popularity of ESG



Different Stock Exchange Intervention for ESG Disclosure

LOW	MEDIUM	HIGH
<ul style="list-style-type: none"> <input type="checkbox"/> No action <input type="checkbox"/> Promote ESG best practices <input type="checkbox"/> Participate in exchange/investor dialogues <input type="checkbox"/> Join working groups <input type="checkbox"/> Publicly support ESG frameworks <input type="checkbox"/> Offer awards 	<ul style="list-style-type: none"> <input type="checkbox"/> Create stakeholder & company dialogue <input type="checkbox"/> Create indexes, financial products (green bonds) <input type="checkbox"/> Create voluntary ESG guidance <input type="checkbox"/> Tiered disclosure recommendations <input type="checkbox"/> Report or explain 	<ul style="list-style-type: none"> <input type="checkbox"/> ESG-related listing rules <input type="checkbox"/> ESG-tiered listing fees <input type="checkbox"/> Delisting for ESG noncompliance <input type="checkbox"/> Publication of ESG reporting data <input type="checkbox"/> Audit enforcement <input type="checkbox"/> Requiring more sophisticated reporting standards (IIRC)

Green Bonds

What is it?

Debt instruments issued to fund environmental projects

Role of S.E.

Expose green bonds to market and create performance benchmarks

How does it help?

Promote investor confidence by providing investors with information



THAT'S A WRAP

Thank you for your kind attention

