

FINANCIAL DISTRIBUTION.

## Week 5 assignments.

1) Primary market nature

04 The primary market is where new securities are issued and sold for the first time. It's a crucial part of the financial system that allows companies, governments and other entities to raise capital by selling shares or bonds at a price investors.

IMPORTANT NOTES

The primary market is characterized by its issuance.

There are only two ways to live your life. One is as though nothing is a miracle. The other is as though everything is a miracle. - Albert Einstein



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2  
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4th Week • 027-339

JANUARY

SATURDAY

JANUARY 2024

M	T	W	T	F	S
1	2	3	4	5	6
8	9	10	11	12	13
15	16	17	18	19	20
22	23	24	25	26	27
29	30	31			

of new financial instruments and is typically associated with initial public offerings (IPO) or private placements.

2. Primary market function

Capital formation helps businesses and governments raise capital to fund their operations and projects.

Price Discovery: Establishment of initial price of new securities based on supply and demand.

Liquid provision provides liquidity to investors by offering new investment opportunities.

Economic Growth (contributes) to economic development by facilitating investments in new projects and innovations.

28 Sunday

IMPORTANT NOTES



FEBRUARY 2024

M	T	W	T	F	S	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29			

5th Week • 029-337

MONDAY

2024

29

JANUARY

3.) Primary market intermediaries

Investment Banks:

Underwrite and facilitate

the issuance of new securities  
helping to determine the price  
and structure of the offering

Brokers: assist in the sale of new  
securities by connecting issues  
with investors

Underwriters

purchases the entire issue  
of securities from the issuer

and resell them to the public  
assuming the risk of selling

Regulatory Authorities: Ensure  
compliance with regulation  
and protect investors by  
overseeing the issuance  
process.

IMPORTANT NOTES

S.S.