

Lecture 6

What is a Broker?

Floor broker: An independent member of an exchange that can do transactions on behalf of other members of the exchange. Brokers have floor brokers to do their bidding on the floor of an exchange.

The automation of the stock market

The stock market has evolved throughout the years and even though it still has the same structure, it is now fully automated. The human intermediaries that took your orders and found counterparts for your order to get you executed have been replaced by computers that automatically match orders.

Exchanges:

- NYSE: biggest & most demanding in listing requirements
- NASDAQ: less demanding and has smaller and tech companies.
- AMEX: mostly ETFs trade there.
