

Stock Exchanges

Introduction to Investments
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Stock Exchanges

- Listing requirements (based on shares, volume, market value, ownership).
- NASDAQ (no physical location, started as a quote system). Now lists about 3200 stocks in 3 systems.
No specialist but 3 levels of subscribers:
 - a) market makers (level 3, can enter bid and ask)
 - b) order executions (level 2, see all quotes)
 - c) investors (level 1, see inside quote).
- NYSE: physical location. There is a trading process and “seats.”
- Specialists on the NYSE (special market maker).
 - Maintain fair and orderly markets (set open price and make bids and asks through the day).
 - Execute orders for floor brokers.
 - Provide capital and stabilize prices using inventory.
 - Recent allegations of front-running.

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