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Curb Trading

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What is Curb Trading

Curb trading occurs outside of general market operations, commonly through computers or telephones after the official exchanges have closed. As opposed to trading on official exchanges such as the [New York Stock Exchange](#) (NYSE) or the [NASDAQ Stock Market](#).

The practice is also known as "kerb trading."

BREAKING DOWN Curb Trading

In the past, stocks that were considered unfit to trade on the New York Stock Exchange were bought and sold on the street curb. This led to the formation of the [American Stock Exchange](#), so curb trading now commonly refers to any trades outside of exchange regulations. The phrase was popularized with the rise of the American Stock Exchange, which was regarded as the second-largest options exchange in the world. The American Stock Exchange was known as the *Curb Exchange* until 1921. The exchange went on pioneer index options and options on 25 broad-based and sector indices.

Today, curb trading is a catch-all phrase for any trading activity that occurs away from an organized exchange, be it a physical, electronic, centralized or [decentralized exchange](#). For those investors who truly believe, "money never sleeps," waiting for the next financial center to open for trading business does not meet their needs. The proliferation of communications