

Example of us economy essay

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New York Stock Exchange (NYSE)

The New York Stock Exchange or the NYSE is a stock exchange market in the United States and it is located at the 11th Wall Street, in the city of New York. According to the NYSE Group report, NYSE is regarded as the world's leading stock exchange in terms of the stock market capitalization of the firms that are listed in the NYSE that stands at US\$15. 321trillion as of the month of June 2012. The mean daily trading monetary value in the year 2012 was estimated at US\$180 billion and as a result the NYSE has developed into a universal market for stock exchange (New York Stock Exchange, 2013). The NYSE is crucial for the U. S. economy as it generates revenue for the federal government apart from helping the firms in raising capital for their ventures and expansion.

The NYSE was established in 1792 and the several centuries of expansion and innovation have made the stock exchange to become a global securities marketplace. The stock exchange is under the management of the NYSE Euronext that was created after an amalgamation involving the NYSE and Euronext that is wholly an electronic firm dealing in stocks. Over the years, the NYSE has been committed to investors and corporations through the resolute and constant use of the latest stock exchange technologies so as to maintain the stock market quality. Presently, the NYSE offers an environment for buying and selling more than 8, 200 business stocks and in addition to other securities apart from listing more than seventy of the world's leading corporations (Mecane, 2011).

The NYSE also known as the Big Board offers a channel through which buyers and sellers can buy and sell shares in the stock market for corporations that

are registered for open trading. The NYSE trading of shares is open throughout the week with the exclusion of national holidays that are announced by the NYSE beforehand. On the NYSE trading floor, the buying and selling of NYSE stock market shares is carried out in an uninterrupted auction format and the traders carry out stock business for the investors and corporations. The stock traders usually congregate around a suitable post where specialist stock brokers contracted by the NYSE member company act as auctioneers. As a result, the stock shares are auctioned in the open environment where buyers and sellers trade on the shares of the given companies (New York Stock Exchange, 2013).

The trading of shares takes place daily at the NYSE trading ground where the shares are auctioned. The placing of open bids and offers are controlled by the NYSE trading floor page on the NYSE website where the stock exchange members act on behalf of the listed firms and individual investors in stocks. The buying and selling of orders for each of the listed securities meet openly on the NYSE trading positions that are assigned for every corporation. The NYSE trading floor is composed of 20 trading posts that have more than 500 trading positions and the prices for the stocks are settled on by the supply and demand equilibrium. The orders for the buying and selling of the stocks are channelled through a specific location so as to ensure that the shares are exposed to a variety of potential buyers and sellers (Mecane, 2011).

The NYSE is regarded as an agency auction market where Exchange members carry out stock trading on behalf of firms and individual investors. The NYSE member firms are the companies and individuals who own "seats" on the NYSE trading floor and they are the only ones that are permitted to

buy and sell securities on the NYSE trading floor. The NYSE member firms pay a given fee so as to own a seat on the NYSE trading floor apart from meeting thorough professional standards that are laid out by the Exchange (New York Stock Exchange, 2013). In conclusion, the NYSE is a vital organization in the economy of United States as it generates revenue for the federal government apart from helping the firms in raising capital for their ventures.

References

Mecane, E. (2011). What's an Exchange to Do? The Role of the Exchange in Evaluating Algorithms. New York Stock: Scholastic Library Publishers.

New York Stock Exchange. (2013, May 3). New York Stock Exchange Market. Retrieved from <https://nyse.nyx.com/>.