Market Talks
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STOCKS · BEGINNER · LESSON 4 OF 15

Major Stock Exchanges

The world's most important stock exchanges, how they started, when they trade and how one company can be listed in more than one country

11 min read 8 quiz questions with answer key

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Major Stock Exchanges

IN ONE SENTENCE

A stock exchange lists companies' shares, runs the system where they trade, sets the rules and publishes the prices. The two largest, Nasdaq and the New York Stock Exchange, are both in the United States, followed by exchanges in China, Europe, Japan, Hong Kong, India and Canada. Each trades in its own currency and time zone, so somewhere in the world a major stock market is almost always open on weekdays.

What a stock exchange does

In Lesson 3, John's order travelled through his broker to a trading venue, where it met Anna's order. The most important of those venues are the **stock exchanges**. An exchange has four main jobs:

- **Listing.** It decides which companies may have their shares traded on it, and checks that they meet its standards before and after they list.
- **Trading.** It runs the order books and the matching engine where buy and sell orders meet, and the official opening and closing auctions that set each day's first and last prices.
- **Rules.** It sets and enforces rules for its members and its listed companies, under the supervision of the national regulator.
- **Market data.** It publishes prices, volumes and company announcements, the information you see on every stock quote.

When people say a company is "listed on the New York Stock Exchange" or "trades on Nasdaq", they mean the exchange where it chose to list. As Lesson 3 showed, in the United States the same shares can also trade on other venues, but the listing exchange is still its official home.

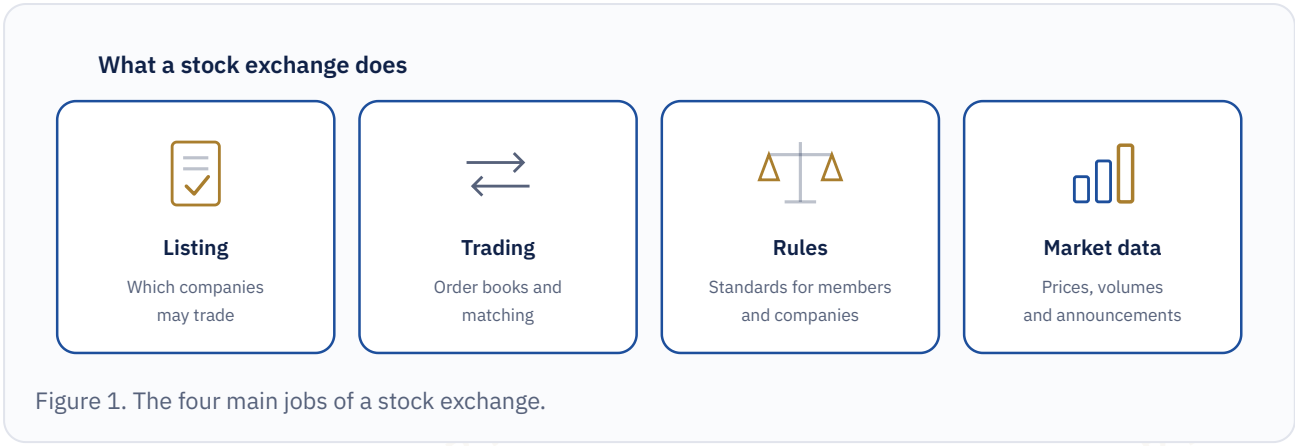


Figure 1. The four main jobs of a stock exchange.

From a coffee house to computers

Stock exchanges are older than most countries' central banks. The first modern share trading began in **Amsterdam in 1602**, when the Dutch East India Company sold shares to the public and investors began trading them with each other. That market is now part of Euronext.

In London, share dealers met in coffee houses in the late 1600s, and the London Stock Exchange was formally set up in **1801**. In New York, 24 brokers signed the **Buttonwood Agreement in 1792**, the start of what became the New York Stock Exchange. The Tokyo Stock Exchange opened in **1878**.

For most of history, trading meant people shouting orders on a trading floor. That changed in **1971**, when **Nasdaq** started as the world's first electronic stock market. Today almost all trading on every major exchange is done by computers, and the NYSE trading floor that appears on the news is a small part of how its stocks trade. The mainland Chinese exchanges in Shanghai and Shenzhen opened in **1990**, and grew within a few decades into two of the largest in the world.



Figure 2. More than 400 years of stock exchanges, from Amsterdam to the electronic markets of today.

The largest exchanges in the world

The usual way to measure the size of an exchange is the total **market capitalization** of the companies listed on it, the idea you met in Lesson 1. According to the World Federation of Exchanges (WFE), at the end of 2025 the two US exchanges were far ahead of everyone else:

companies listed on **Nasdaq** were worth about **$36.0 trillion** and those on the **NYSE** about **$31.4 trillion**.

Behind them came the Shanghai Stock Exchange, Euronext, Japan Exchange Group (which runs the Tokyo Stock Exchange), Shenzhen, Hong Kong, India's two exchanges, BSE and the National Stock Exchange (NSE), and Canada's TMX Group, which runs the Toronto Stock Exchange. Each of the top ten had listed companies worth more than $4.5 trillion.

Size is not the only thing that matters. Some exchanges are much more international than others. Hong Kong and London, for example, list many companies whose main business is in other countries, while most companies on the Shanghai and Shenzhen exchanges are Chinese. The London Stock Exchange does not report these figures to the WFE, so it does not appear in the chart, but it remains one of Europe's most important markets.

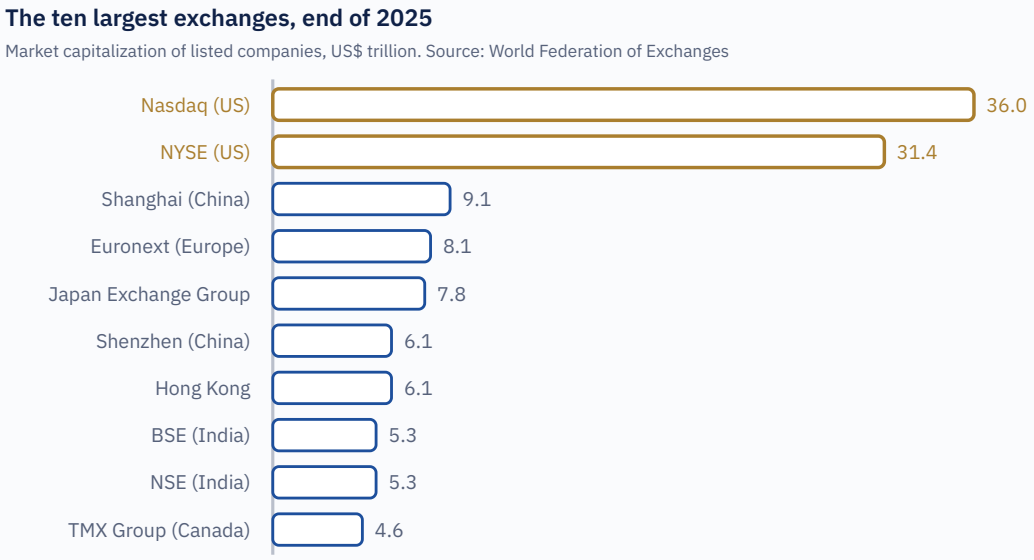


Figure 3. The two US exchanges are by far the largest. The London Stock Exchange does not report to the WFE and is not shown.

The NYSE and Nasdaq

The two US giants are often compared. Both list many of the world's best-known companies, and for an investor buying shares through a broker the difference is almost invisible. But they have different histories and different reputations:

	New York Stock Exchange (NYSE)	Nasdaq
Started	1792, with the Buttonwood Agreement	1971, as the first electronic stock market
How it trades	Electronic trading, plus a trading floor with designated market makers for each stock	Fully electronic, with many competing market makers
Known for	Large, established companies in banking, energy, industry and consumer goods	Technology and fast-growing companies
Well-known companies	JPMorgan Chase, Walmart, Coca-Cola, Visa	Apple, Microsoft, Nvidia, Amazon
Owner	Intercontinental Exchange (ICE), since 2013	Nasdaq, Inc., itself listed on Nasdaq
Market cap of listed companies, end of 2025	About $31.4 trillion	About $36.0 trillion

The name Nasdaq also appears in two famous indices, the Nasdaq Composite and the Nasdaq-100. Lesson 5 explains what they measure.

A tour of the main markets

Outside the United States, the main stock markets are spread across Europe, Asia and the Americas:

- **Europe.** Euronext runs the stock exchanges of Paris, Amsterdam, Milan, Brussels, Dublin, Lisbon and Oslo, among others. The London Stock Exchange is home to many global mining, energy and banking companies, and Deutsche Börse runs the Frankfurt Stock Exchange and its Xetra trading system. Zurich's SIX Swiss Exchange lists Swiss giants in food and medicine.
- **Asia.** The Tokyo Stock Exchange lists most large Japanese companies. Shanghai and Shenzhen are mainland China's exchanges, and foreign investors usually reach them through special access schemes. Hong Kong is the main gateway for international money into Chinese companies. India's NSE and BSE have grown quickly, and the Taiwan and Korean exchanges list some of the world's most important chip makers.
- **Other markets.** Toronto is strong in banks, energy and mining, the Saudi Exchange lists the oil giant Saudi Aramco, and São Paulo's B3 is Latin America's largest market.

Each exchange trades in its local currency. A share of Toyota in Tokyo is priced in Japanese yen, and a share of a London company is usually priced in British pence. So an investor buying shares abroad takes on two risks: the share price can move, and so can the exchange rate between that currency and their own.



Figure 4. The main stock markets in each part of the world.

Trading around the clock

Unlike forex or crypto, stock exchanges trade only during set hours on weekdays, in their own time zone. But because the main exchanges are spread around the world, their trading days follow the sun:

- The trading day starts in **Asia**, with Tokyo, then Shanghai, Shenzhen and Hong Kong, and later India. Several Asian exchanges stop for a lunch break in the middle of the day.
- As Asia closes, **Europe** opens, with London, Frankfurt and Paris trading through the European day.
- In the afternoon in Europe, **New York** opens at 9:30 a.m. local time, and the US market closes at 4:00 p.m. New York time.

This matters for traders because news that comes out while one market is closed is often reflected at its next open. A big fall in New York during the evening in Asia can lead to a weak open in Tokyo the next morning. Lesson 8 explains market hours in more detail, including the extra pre-market and after-hours sessions.

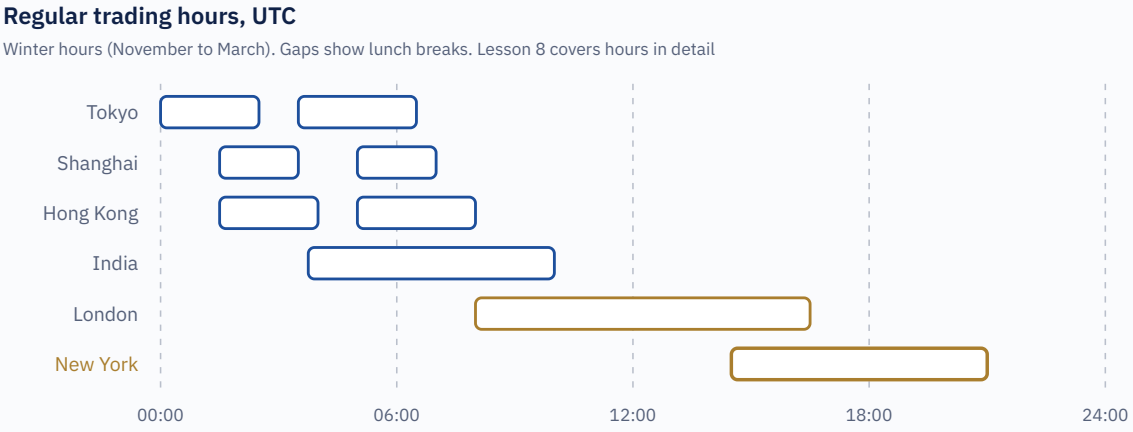


Figure 5. The trading day moves from Asia to Europe to New York. Times shown in UTC, during northern winter.

Listing in more than one country

To list on a major exchange, a company must meet its **listing standards**: for example, a minimum size, a minimum number of shareholders, several years of audited accounts and a promise to keep publishing results and news. If a company later breaks these rules, or its shares fall too low for too long, it can be **delisted**.

Many large companies want investors in other countries to be able to buy their shares easily. The most common way for a foreign company to reach US investors is an **American depositary receipt (ADR)**. A US bank holds the company's ordinary shares in its home country and issues receipts in the United States, which trade in US dollars on a US exchange like any other stock.

TSMC, the world's largest contract chip maker, is a good example. Its shares trade on the Taiwan Stock Exchange under the code 2330, in Taiwan dollars. Its ADRs trade on the NYSE under the ticker TSM, in US dollars, and **each ADR represents five TSMC shares**. Because traders can buy in one market and sell in the other, the two prices stay closely in line once the exchange rate and the five-to-one ratio are taken into account.

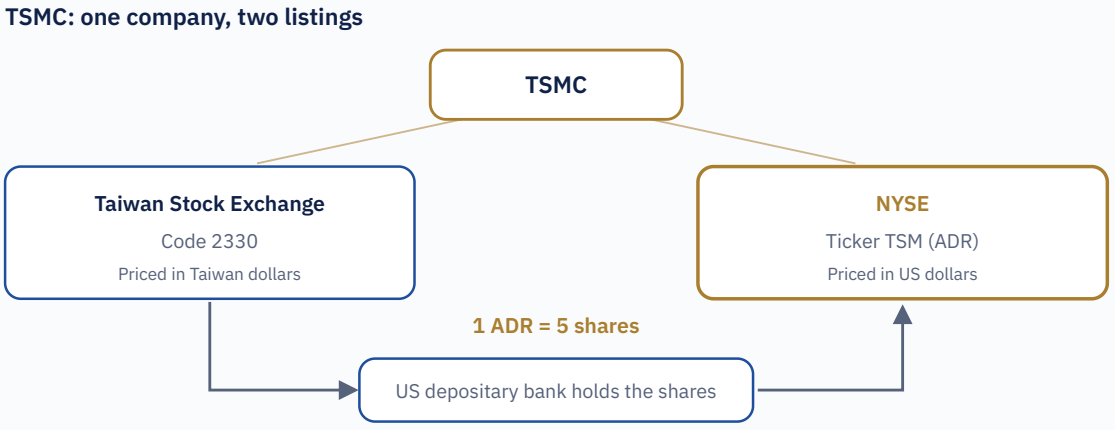


Figure 6. TSMC's shares trade in Taiwan, and its ADRs trade on the NYSE. Each ADR represents five shares.

Exchanges are businesses too

Most large exchanges were once owned by their members, the brokers who traded on them. Today almost all of them are companies with their own shareholders, and many are listed on their own markets. The NYSE belongs to Intercontinental Exchange, which trades on the NYSE under the ticker ICE. Nasdaq, Inc. lists its own shares on Nasdaq as NDAQ. The London Stock Exchange Group trades in London as LSEG, Deutsche Börse in Frankfurt as DB1, Japan Exchange Group in Tokyo under the code 8697, and Hong Kong Exchanges and Clearing in Hong Kong under the code 388. Do not confuse NDAQ with QQQ: QQQ is a fund that tracks the Nasdaq-100 index, not the company that runs the exchange. Lesson 13 explains funds like it.

Exchanges earn money in four main ways:

- **Listing fees** paid by companies to list and to stay listed.
- **Trading fees** charged on the trades that take place on them.
- **Market data**, sold to brokers, banks and data companies, often their fastest-growing business.
- **Clearing and other services**, such as running clearing houses, futures markets and indices.

Exchanges compete hard for new listings and for trading, so they also market themselves to companies around the world. When a large company chooses to list in New York instead of London, or in Hong Kong instead of Shanghai, it is news in the financial press.

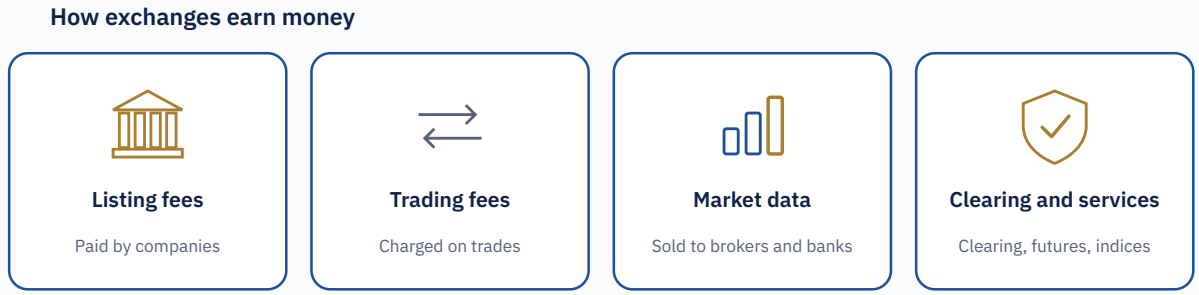


Figure 7. Exchanges are businesses with four main sources of income.

Why this matters for traders

- **Know where a stock is listed.** The exchange decides the trading hours, the currency of the price and the holidays when the market is closed.
- **Watch the overnight relay.** Moves in New York often carry into Asia the next morning, and Asian and European moves can set the tone before the US open.
- **Foreign shares carry currency risk.** A gain in a stock can be wiped out by a fall in its currency against yours, and the opposite can also happen.
- **ADRs follow the home market.** An ADR's price moves with the home share and the exchange rate. When the home market is closed and the ADR is trading, the ADR price often hints at where the home share will open.

Key terms

Stock exchange	A regulated marketplace that lists companies' shares, runs their trading, sets rules and publishes prices.

Listing	Admission of a company's shares to trading on an exchange, after meeting its standards.
Listing standards	The conditions a company must meet to list and stay listed, such as size, number of shareholders and regular reporting.
Delisting	Removal of a company's shares from an exchange, by choice or because it no longer meets the rules.
Trading floor	A physical room where traders once met to buy and sell. Almost all trading is now electronic.
Market capitalization of an exchange	The combined value of all the companies listed on that exchange.
World Federation of Exchanges (WFE)	The global association of exchanges, which publishes statistics on their size and activity.
American depositary receipt (ADR)	A certificate traded in the United States that represents a set number of a foreign company's shares.
Lunch break	A pause in the middle of the trading day used by several Asian exchanges, such as Tokyo, Shanghai and Hong Kong.

Key takeaways

1. A stock exchange lists companies, runs trading, sets rules and publishes market data.
2. Share trading began in Amsterdam in 1602. The NYSE dates from 1792, and Nasdaq became the first electronic stock market in 1971.
3. At the end of 2025, companies listed on Nasdaq were worth about $36.0 trillion and those on the NYSE about $31.4 trillion, far more than on any other exchange.
4. Exchanges trade in their own currency and hours. The trading day moves from Asia to Europe to New York.
5. Foreign companies often reach US investors through ADRs. TSMC's ADR on the NYSE represents five shares listed in Taiwan.

Test yourself

Circle one answer for each question. The answer key with explanations is on the next page. You can also take this quiz online at markettalks.info and see your score instantly.

1. Which of these is NOT one of a stock exchange's main jobs?

A Listing companies
B Running the trading system
C Publishing market data
D Deciding the price of each stock every morning

2. Where did the first modern trading in company shares begin?

A London in 1801
B New York in 1792
C Amsterdam in 1602
D Tokyo in 1878

3. What was special about Nasdaq when it started in 1971?

A It was the first electronic stock market
B It only listed banks
C It was the first exchange in Asia
D It had the largest trading floor

4. According to the WFE, which exchange had the largest market capitalization of listed companies at the end of 2025?

A NYSE
B Nasdaq
C Shanghai Stock Exchange
D Japan Exchange Group

5. Emma, who lives in Europe, buys shares of a Japanese company on the Tokyo Stock Exchange. Which risks does she take?

A. Only the risk that the share price falls
B. Only currency risk
C. The risk that the share price falls and that the yen falls against her currency
D. No risk, because Tokyo is a large exchange

6. In what order do the main stock markets open during a weekday?

A. New York, then Europe, then Asia
B. Asia, then Europe, then New York
C. Europe, then Asia, then New York
D. They all open at the same moment

7. What is an American depositary receipt (ADR)?

A. A US government bond
B. A receipt traded in the US that represents a set number of a foreign company's shares
C. A type of US index
D. A fee paid to list on the NYSE

8. Which of these is a main source of income for exchanges today?

A. Interest on customer savings
B. Selling market data
C. Paying dividends to listed companies
D. Setting interest rates

Answer key

1 D

Deciding the price of each stock every morning

Exchanges list companies, run trading, set rules and publish data. Prices are set by buyers and sellers, even in the opening auction.

2 C

Amsterdam in 1602

The Dutch East India Company's shares began trading in Amsterdam in 1602. That market is now part of Euronext.

3 A

It was the first electronic stock market

Nasdaq began as the world's first electronic stock market, with no trading floor.

4 B

Nasdaq

Companies listed on Nasdaq were worth about $36.0 trillion, ahead of the NYSE at about $31.4 trillion.

5 C

The risk that the share price falls and that the yen falls against her currency

The shares are priced in yen. Her result in her own currency depends on both the share price and the exchange rate.

6 B

Asia, then Europe, then New York

The trading day follows the sun: Tokyo, Shanghai, Hong Kong and India first, then London, Frankfurt and Paris, then New York.

7 B

A receipt traded in the US that represents a set number of a foreign company's shares

A US bank holds the foreign shares and issues receipts that trade in US dollars on a US exchange. Each TSMC ADR, ticker TSM, represents five Taiwan-listed shares.

8 B

Selling market data

Exchanges earn money from listing fees, trading fees, market data and clearing services. Market data is often one of their fastest-growing businesses.

SOURCES

- World Federation of Exchanges, FOCUS market statistics (data to December 2025): https://focus.world-exchanges.org/issue/february-2026/market-statistics
- Intercontinental Exchange, IntercontinentalExchange completes acquisition of NYSE Euronext (2013): https://ir.theice.com/press/news-details/2013/IntercontinentalExchange-Completes-Acquisition-of-NYSE-Euronext/default.aspx

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- Investor.gov (US SEC), American depositary receipts (ADRs): https://www.investor.gov/introduction-investing/investing-basics/glossary/american-depositary-receipts-adrs

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