

Stock Exchanges - An Overview

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Introduction

It is a platform where buyers and sellers come together to trade financial tools during specific hours of any business day. It is said that Bruges and Antwerp established a prominent trading hub in 13th century named “Bourse”, later on the Amsterdam Stock Exchange, established in 1602, is the worlds’ first stock exchange that facilitated the shares of the Dutch East India Company, the first publicly traded company. Now total 60 major stock exchanges worldwide which are traded globally. The Amsterdam stock exchange is now part of Euronext which is considered as the oldest stock exchange. In India Bombay Stock Exchange (BSE) is considered as oldest stock exchange which was named as The Native Stock and Brokers Association in 1875. BSE was established at Dalal street in Mumbai by Premchand Roychand.

Objectives of the study

1. To study the overview of stock market.
2. To explore some largest stock exchanges in world.
3. To study aware about world stock exchanges.

Research Methodology

The present research is theoretical type of research which is based on secondary data collection. Data collected from various books, periodicals, websites, research paper and articles from newspapers. The researcher used observation method for interpretation of theoretical data. Secondary data has been referred to and used as well to help get a better understanding of the reasons and arguments involved. Since a primary data collection would not have made the research feasible secondary data was preferred. The structure of the paper is appropriate, simple, well-planned, and meticulously organized.

Scope of the study

The present study is informative about stock exchanges. That paper is an informative one in the segment of capital market. In present paper researcher study about some of the largest stock exchanges as per their market cap up to March-2024.

World Stock Exchanges- An Overview

The researcher studied top ten stock exchanges in present study as per market capitalization. Top 10 largest global stock exchanges in 2024 by market cap in which India's NSE ranks largest Stock Exchanges in the World: India's largest and fifth largest world stock exchanges by market cap, the National Stock Exchange (NSE), with a market cap of around \$5 trillion, comprises 50 of the largest and most liquid Indian companies, like Infosys, ICICI Bank, Larsen & Toubro, and more.

Top 10 Stock Markets in the World

The global stock exchanges are an integral part of the financial system, which has a significant impact on the global economic outlook. There are approximately 60 major stock exchanges worldwide, with the largest ones having a combined market capitalization of \$116,397,310.17 trillion, according to the World Federation of Exchanges (WFE). Notably, two of the largest stock exchanges, the New York Stock Exchange (NYSE) and the Nasdaq, both located in the United States, lead and dominate the majority of the global market by a wide margin. The NYSE, with a market capitalization exceeding \$27.9 trillion, is home to some of the world's most valuable companies, including Apple, Microsoft, Nvidia, and more. The Nasdaq, established in 1971, follows closely behind the NYSE in terms of market capitalization. Known for its technology-heavy listings, the Nasdaq boasts a market capitalization of approximately \$25.9 trillion and hosts tech giants like Alphabet (Google), Facebook, and Tesla. With the rapid growth of emerging economies like India and China, Asian stock exchanges are experiencing significant expansion, advancing to surpass several European exchanges in 2023. The largest stock exchange in Asia—the Shanghai Stock Exchange (SSE) in China, founded in 1990—has grown rapidly, reaching a market capitalization of over \$6 trillion and having major state-owned enterprises such as Petro China and the Industrial and Commercial Bank of China listed, thereby reflecting China's economic ascendancy. Additionally, India's stock market has emerged as a significant player in the global financial arena, as the country witnesses rapid economic growth and increasing investor interest. One of the oldest stock exchanges in the world—Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) are the primary stock exchanges in India.

India's largest and fifth largest world stock exchanges by market cap, the National Stock Exchange (NSE), with a market cap of around \$5 trillion, comprises 50 of the largest Indian companies, like Infosys, ICICI Bank, Larsen & Toubro, and more, has thereby revolutionized the trading system in India.

Table 1: Top 10 largest stock exchanges in the world, according to their market capitalization in 2024

Rank	Exchange name	Country	Domestic market cap (in trillion dollars)
1	New York Stock Exchange (NYSE)	USA	\$27,876,292.90
2	Nasdaq	USA	\$25,914,307.90
3	Japan Exchange Group	Japan	\$6,246,074.78
4	Shanghai Stock Exchange	China	\$6,350,622.64
5	National Stock Exchange (NSE) of India	India	\$5,055,163.02
6	Euronext	Europe	\$7,148,962.99
7	Hong Kong Exchanges and Clearing	Hong Kong	\$4,115,775.02

8	Shenzhen Stock Exchange	China	\$3,821,844.20
9	Toronto Stock Exchange (TMX Group)	Canada	\$3,194,035.69
10	Korea Exchange	South Korea	\$1,947,717.56

Source: *World Federation of Exchanges (WFE)*

Conclusion

In essence, the significant market capitalizations and the presence of influential companies in these stock exchanges have crucial roles in global finance, reflecting the economy of their regions and driving investment and growth worldwide. Stock markets are renowned for their unpredictability, constant change, and lack of a discernible trend. Politics, the global economy, unforeseen occurrences, and a company's financial success all affect the volatility of stock prices. Researchers, data scientists, and financial professionals are constantly looking for new ways to employ various analysis techniques to identify trends in the stock market. The trading industry has seen a significant transformation as a result of technology advancements, and AI is now playing a critical role in driving this change. Due to the democratization of trading in India brought about by the emergence of AI-powered trading platforms, retail investors may now utilize analytics to investigate firms, industries, and indices.

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