



RESEARCH

Statistics

Quarterly Report: US Equity & Related, 4Q23

Primary Markets: Equity Capital Formation

Other Investment Banking: M&A and Private Equity

Secondary Markets: Market Performance, Volatility, & Volumes

January 2024

Key Takeaways from the Quarter

Capital Formation

- Total (ex-SPACs) \$31.5B, +40.6% Y/Y
- Secondaries \$28.3B, +42.0% Y/Y
- Preferreds \$0.6B, -41.3% Y/Y
- IPOs \$2.6B, +78.6% Y/Y
- SPACs \$1.0B, +50.8% Y/Y

Market Performance

- S&P 500 \$4,464.91, +15.9% Y/Y
- Nasdaq \$13,910.69, +28.0% Y/Y
- DJIA \$34,933.05, +7.5% Y/Y
- Russell 2000 1,806.70, +0.8% Y/Y

Volumes (ADV)

- Equity 11.2B shares, -0.1% Y/Y
- ETFs 2.2B shares, -13.5% Y/Y
- Multi-Listed Options 44.4M contracts, +4.0% Y/Y

Volatility

- VIX 15.29, -38.8% Y/Y

Contents

Executive Summary	4
US Equity Markets Are the Largest in the World	4
Quarter & Annual Highlights	5
Primary Markets: US Equity Capital Formation	6
US Equity Capital Formation: Review of Quarterly Issuance.....	6
US Equity Capital Formation: Monthly Issuance Trends	9
US Equity Capital Formation: Annual Issuance Update	11
Other Investment Banking: M&A and Private Equity	13
Other Investment Banking: Review of Quarterly Deals	13
Other Investment Banking: Monthly Deal Trends	14
Other Investment Banking: Annual Deal Update.....	14
Secondary Markets: US Equity Market Performance, Volatility, and Volumes	15
US Equity Market Performance: Review of Quarterly Index Prices (Averages).....	15
US Equity Market Performance: Monthly Index Price Trends (Averages)	17
US Equity Market Performance: Annual Index Price Update (Averages).....	18
Volatility Trends: Average VIX.....	19
US Equity Volumes: Review of Quarterly ADV.....	20
US Equity Exchanges: Quarterly Market Share.....	21
US Equity Volumes: Monthly ADV Trends.....	22
US Equity Volumes: Annual ADV Update.....	23
US ETF Volumes: Review of Quarterly ADV.....	24
US ETF Exchange & Providers: Quarterly Market Share	25
US ETF Volumes: Monthly ADV Trends.....	26
US ETF Volumes: Annual ADV Trends	26
US Multi-Listed Options Volumes: Review of Quarterly ADV	27
US Multi-Listed Options Exchanges: Quarterly Market Share.....	28
US Multi-Listed Options Volumes: Monthly ADV Trends.....	29
US Multi-Listed Options Volumes: Annual ADV Update.....	29
Appendix: Historical Trends.....	30
US Equity Capital Formation	30
Market Performance	34
Volatility & Volumes.....	36
Appendix: Exchange Landscape	38
US Equities.....	38

US Multi-Listed Options..... 39

Appendix: Definitions & Purpose 40

Appendix: Terms to Know 42

Appendix: SIFMA Research Reports..... 45

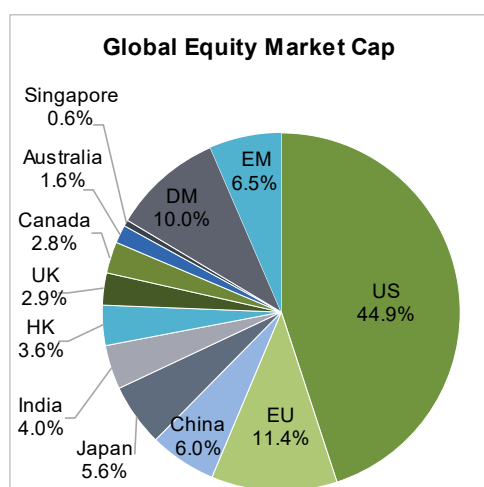
Authors 46

Executive Summary

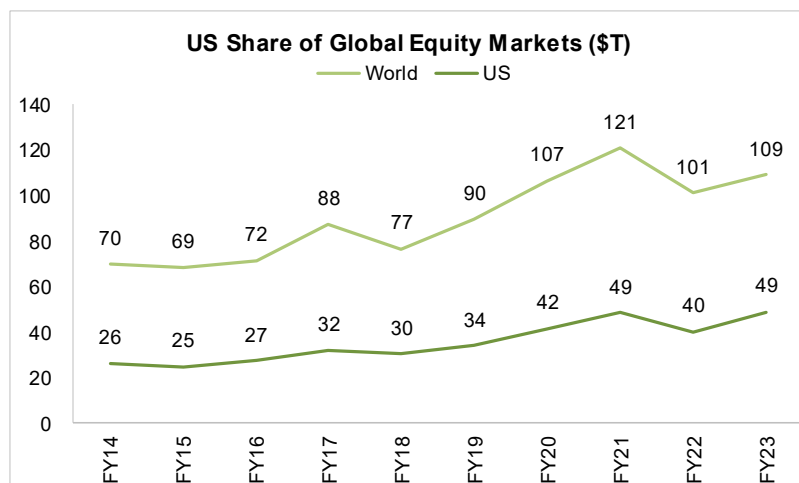
US Equity Markets Are the Largest in the World

The U.S. equity markets are the largest in the world and continue to be among the deepest, most liquid and most efficient, representing 44.9% of the \$109.0 trillion global equity market cap in 2023, or \$49.0 trillion. This is 3.9x the next largest market, the EU. U.S. market share has averaged 39.1% over the last 10 years, troughing at 36.6% in 2015 and peaking at 44.9% in 4Q23.

US Equity Market Share – Current



US Equity Market Share – Historical Trends



Source: World Federation of Exchanges, SIFMA estimates
 Note: UK data as of August 2023. EM = emerging markets, DM = developed markets

Quarter & Annual Highlights

In this report, we recap statistics for U.S. primary and secondary markets, including equity capital formation (IPOs, total issuance, M&A, etc.); market performance (index prices); volatility (VIX); and equity, ETF, and multi-listed options volumes. We highlight the following for quarterly and annual metrics:

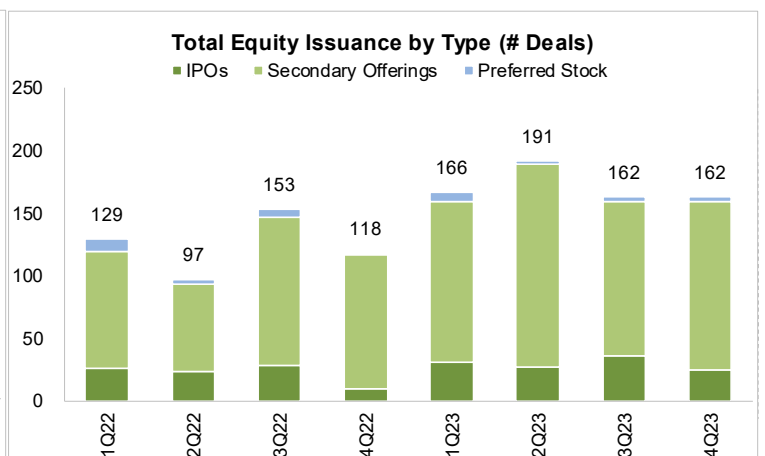
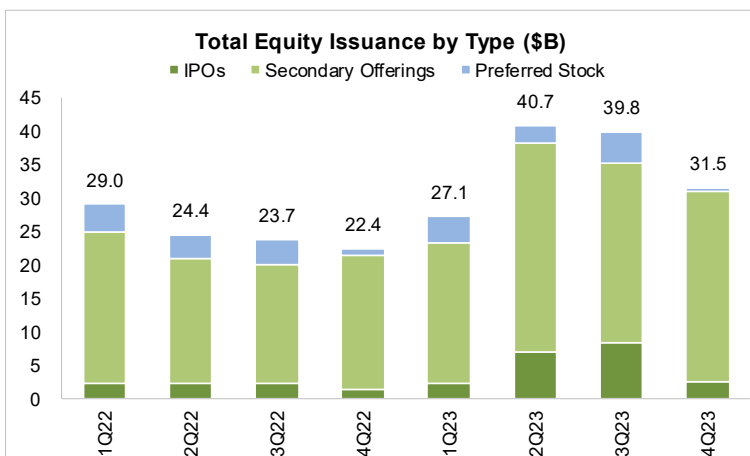
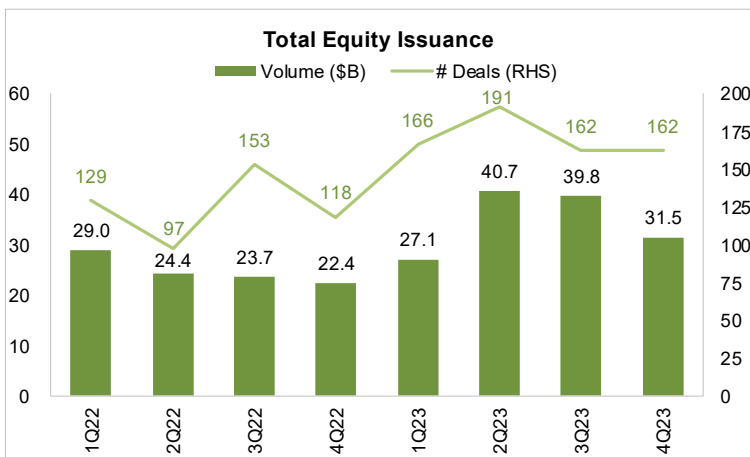
	4Q23	3Q23	4Q22	Q/Q	Y/Y	2023	2022	Y/Y
Primary Markets (Issuance \$B)								
Total Equity (ex-SPACs)	31.5	39.8	22.4	-20.8%	40.6%	139.1	99.4	39.9%
Secondaries	28.3	26.6	19.9	6.4%	42.0%	107.2	78.5	36.5%
Preferreds	0.6	4.7	1.0	-87.6%	-41.3%	11.8	12.4	-4.7%
IPOs	2.6	8.4	1.4	-69.4%	78.6%	20.1	8.5	135.4%
SPACs	1.0	0.8	0.7	22.0%	50.8%	3.8	13.1	-70.8%
Other Investment Banking (\$B)								
Private Equity	135.5	170.6	175.0	-20.6%	-22.6%	645.3	915.1	-29.5%
M&A	491.4	355.8	408.5	38.1%	20.3%	1,380.3	1,703.6	-19.0%
Secondary Markets								
Market Performance (Price)								
S&P 500	4,464.91	4,458.14	3,851.97	0.2%	15.9%	4,283.73	4,098.51	4.5%
Nasdaq	13,910.69	13,783.92	10,871.38	0.9%	28.0%	12,970.28	12,231.35	6.0%
DJIA	34,933.05	34,669.48	32,490.30	0.8%	7.5%	34,121.54	32,897.35	3.7%
Russell 2000	1,806.70	1,891.74	1,793.07	-4.5%	0.8%	1,838.22	1,884.50	-2.5%
Volatility & Volumes								
VIX (Price)	15.29	15.01	25.00	1.9%	-38.8%	16.85	25.70	-34.4%
Equity ADV (B shares)	11.2	10.4	11.2	7.0%	-0.1%	11.0	11.9	-7.1%
ETF ADV (B shares)	2.2	2.0	2.6	11.3%	-13.5%	2.3	2.6	-13.8%
Options ADV (M contracts)	44.4	43.4	42.7	2.3%	4.0%	44.2	41.1	7.5%

Source: Bloomberg, Cboe Global Markets, Dealogic, Options Clearing Corporation, Pitchbook, World Federation of Exchanges, SIFMA estimates
 Note: IPO data includes rank eligible deals; excludes BDCs, SPACs, ETFs, CLEFs & rights offers

Primary Markets: US Equity Capital Formation

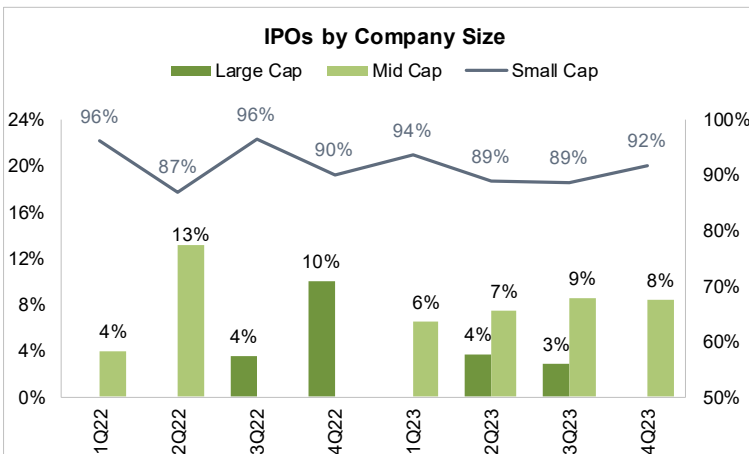
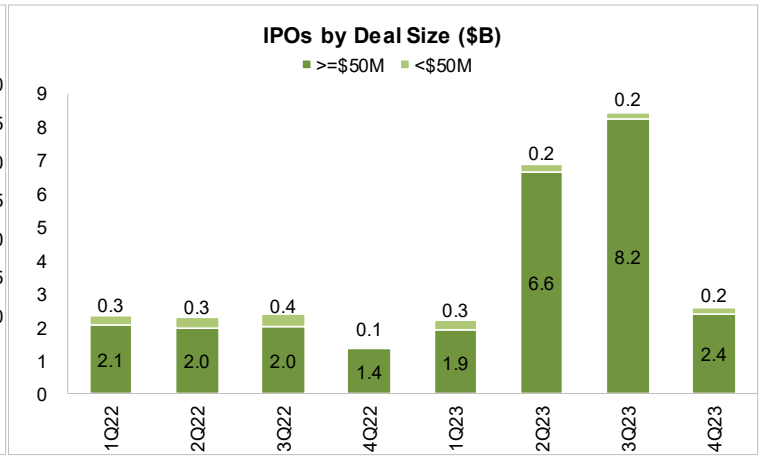
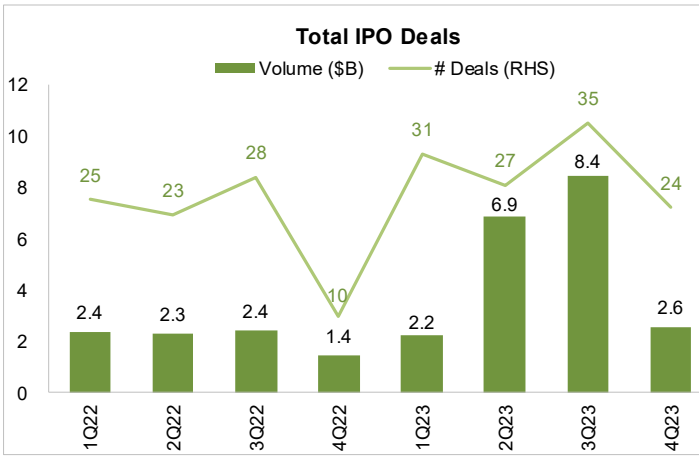
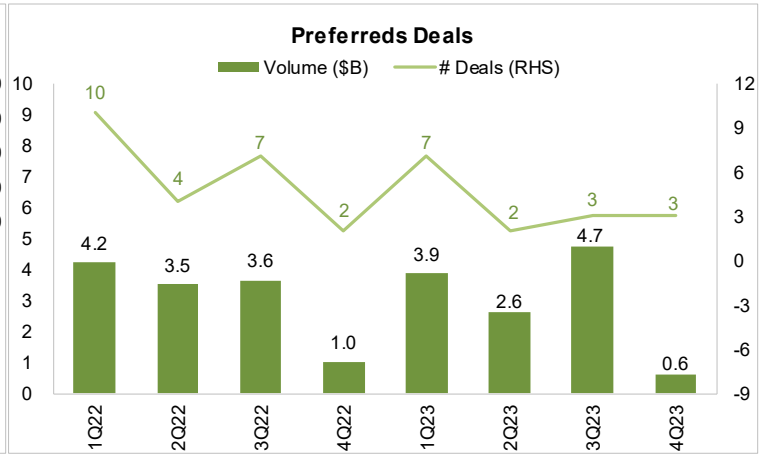
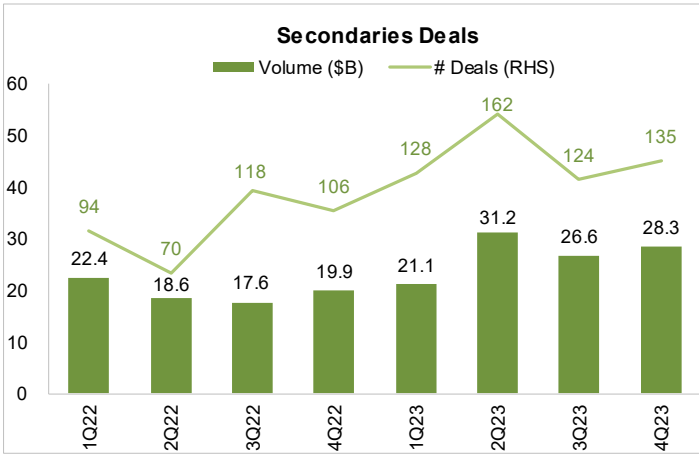
US Equity Capital Formation: Review of Quarterly Issuance

- Total equities (excluding SPACs): \$31.5B; -20.8% Q/Q, +40.6% Y/Y
- Secondaries: \$28.3B; +6.4% Q/Q, +42.0% Y/Y
- Preferreds: \$0.6B; -87.6% Q/Q, -41.3% Y/Y
- IPOs: \$2.6B; -69.4% Q/Q, +78.6% Y/Y
- SPACs: \$1.0B; +22.0% Q/Q, +50.8% Y/Y

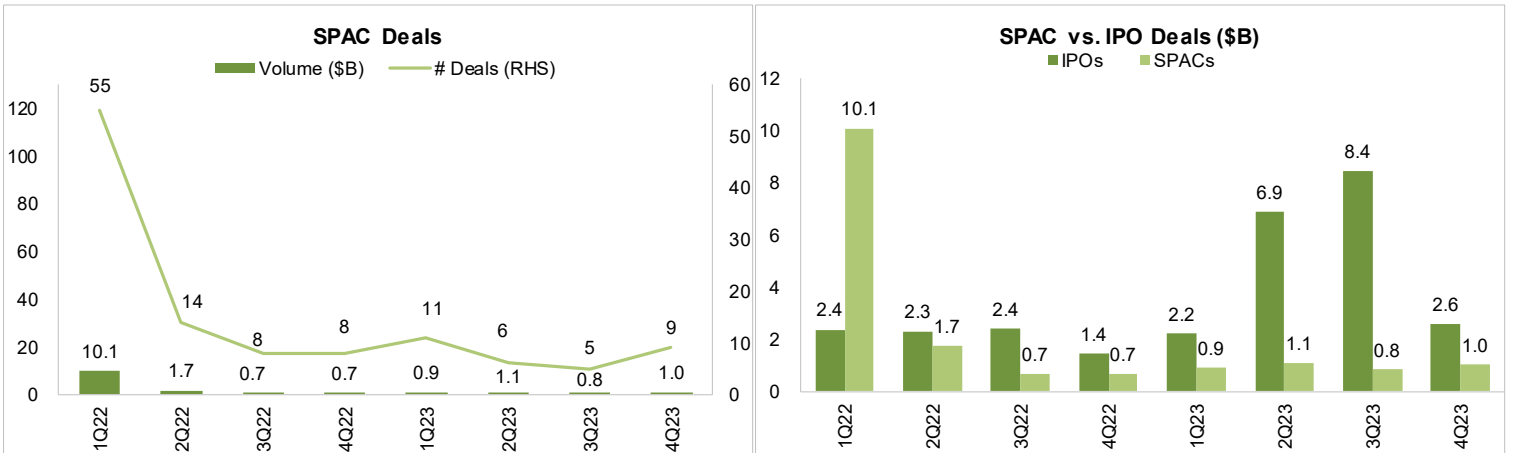
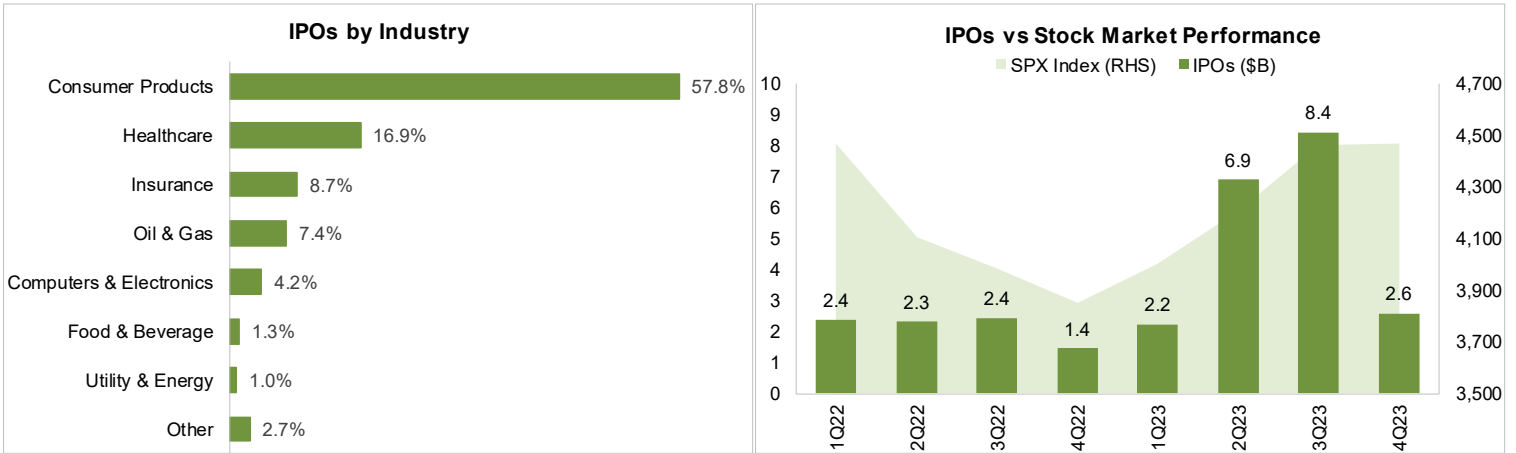


Source: Dealogic, SIFMA estimates

Note: Equity data includes rank eligible deals, excludes, BDCs, SPACs, ETFs, CLEFs and rights offers



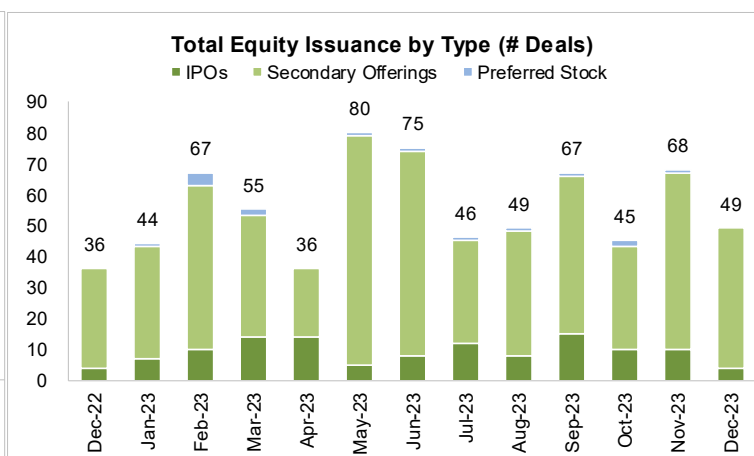
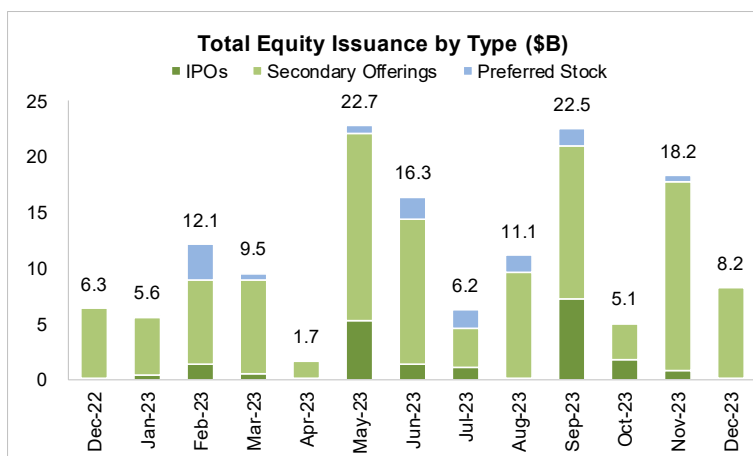
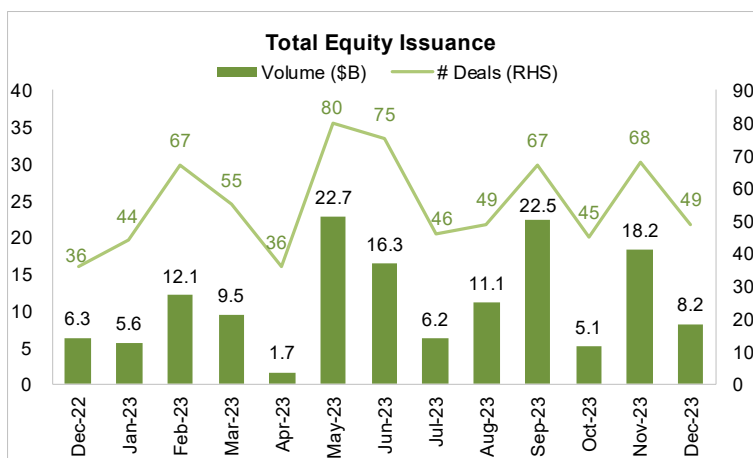
Primary Markets: US Equity Capital Formation



Source: Dealogic, SIFMA estimates

US Equity Capital Formation: Monthly Issuance Trends

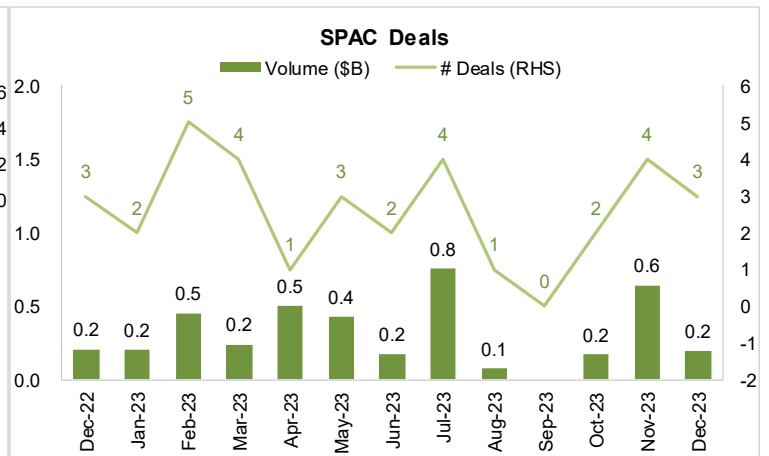
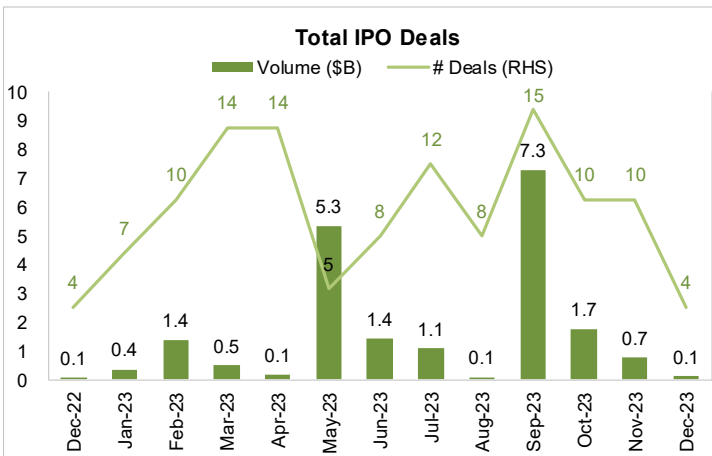
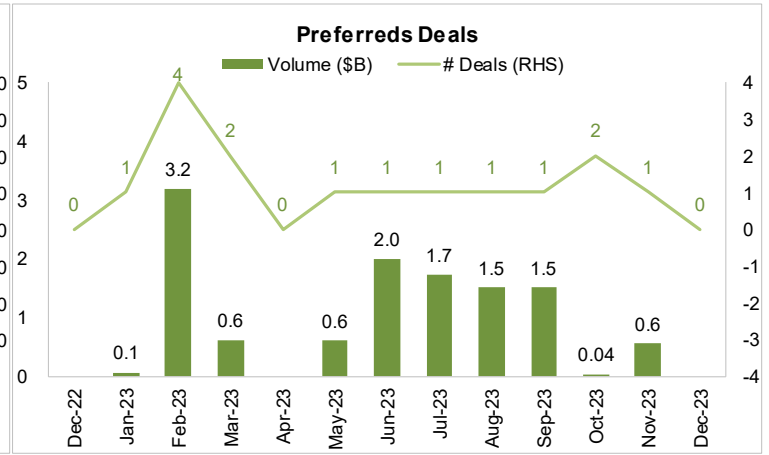
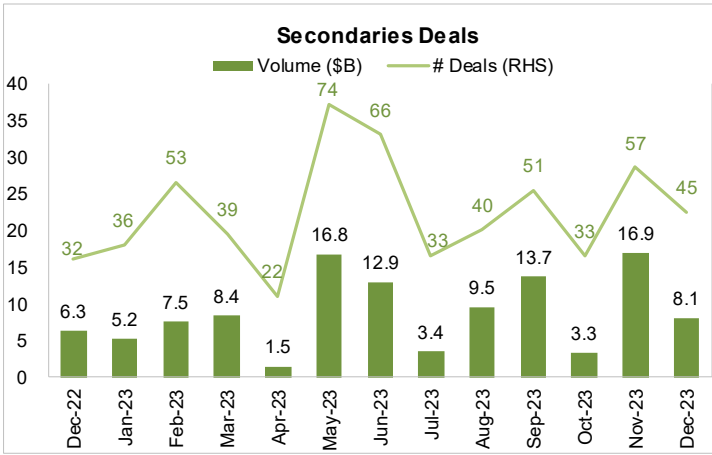
- Total equities: \$8.2B, -55.2% M/M, +29.1% Y/Y
- Secondaries: \$8.1B, -52.3% M/M, +29.1% Y/Y
- Preferreds: \$0.0B, -100.0% M/M, n/a
- IPOs: \$0.1B, -88.2% M/M, +34.7% Y/Y
- SPACs: \$0.2B, -69.3% M/M, -4.3% Y/Y



Source: Dealogic, SIFMA estimates

Note: Equity data includes rank eligible deals, excludes, BDCs, SPACs, ETFs, CLEFs and rights offers

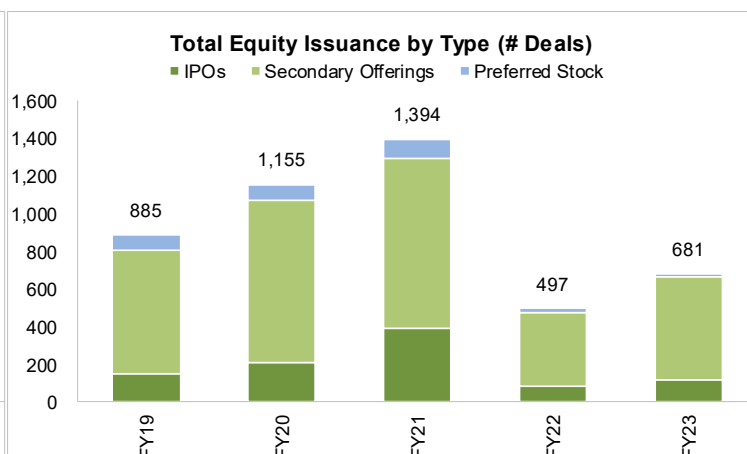
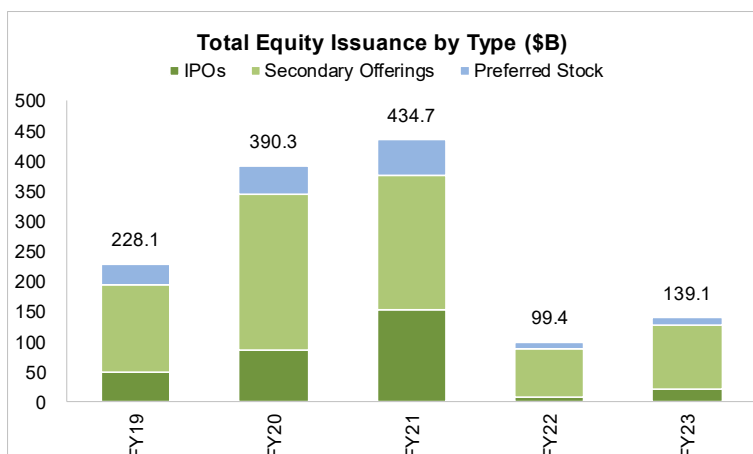
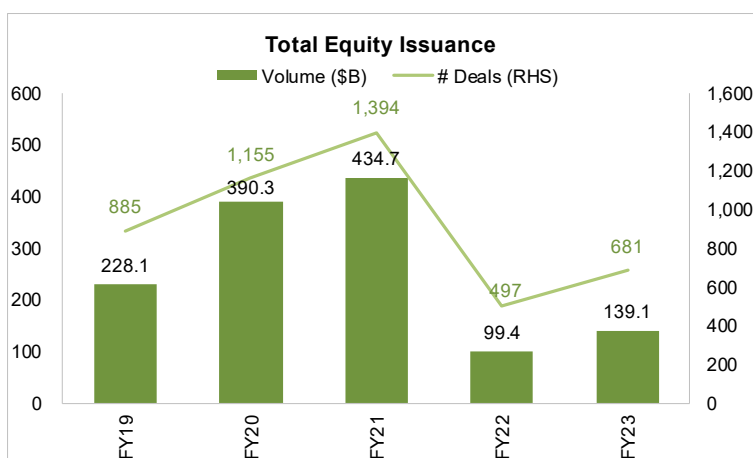
Primary Markets: US Equity Capital Formation



Source: Dealogic, SIFMA estimates

US Equity Capital Formation: Annual Issuance Update

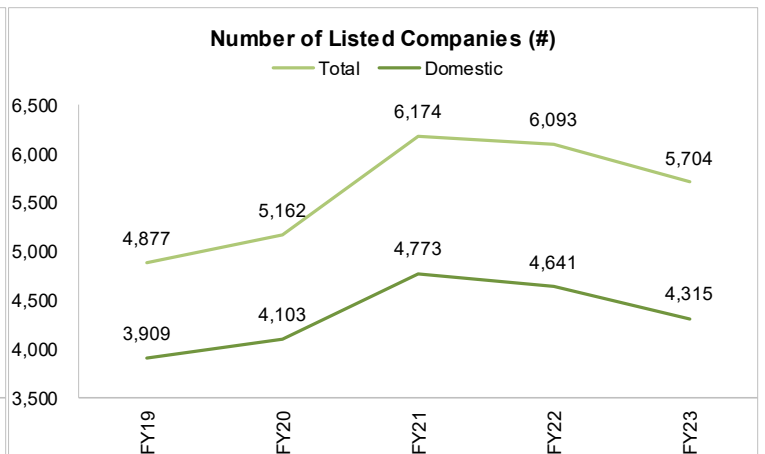
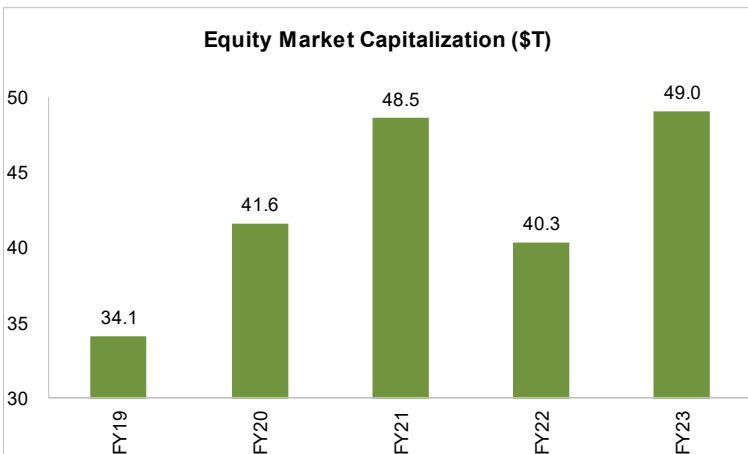
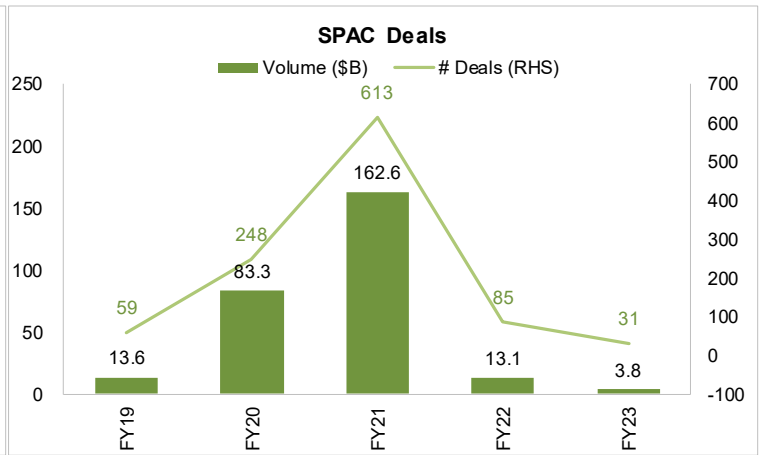
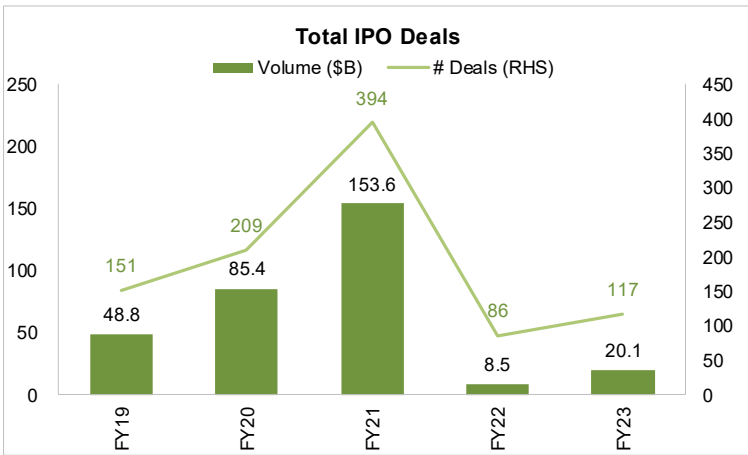
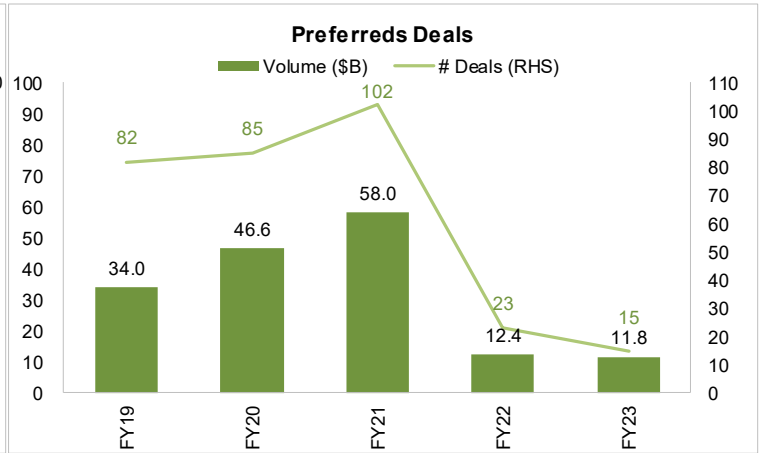
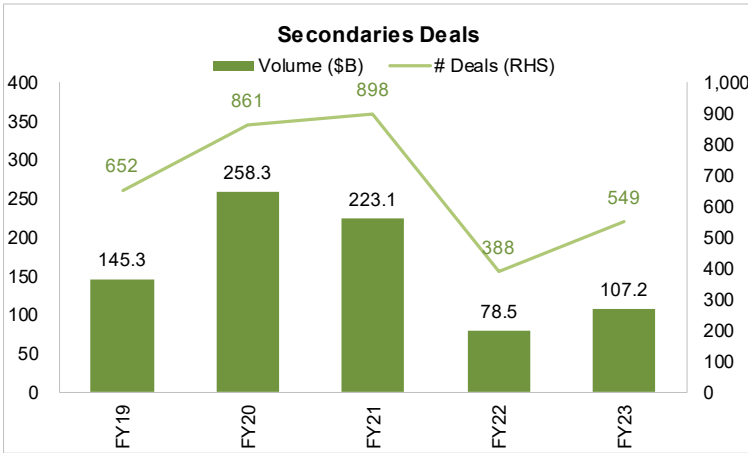
- Equity issuance (excluding SPACs): \$139.1B, +46.2% Y/Y
- Secondaries: \$107.2B, +36.5% Y/Y
- Preferreds: \$11.8B, -4.7% Y/Y
- IPOs: \$20.1B, +135.4% Y/Y
- SPACs: \$3.8B, -70.8% Y/Y



Source: Dealogic, SIFMA estimates

Note: Equity data includes rank eligible deals, excludes, BDCs, SPACs, ETFs, CLEFs and rights offers

Primary Markets: US Equity Capital Formation

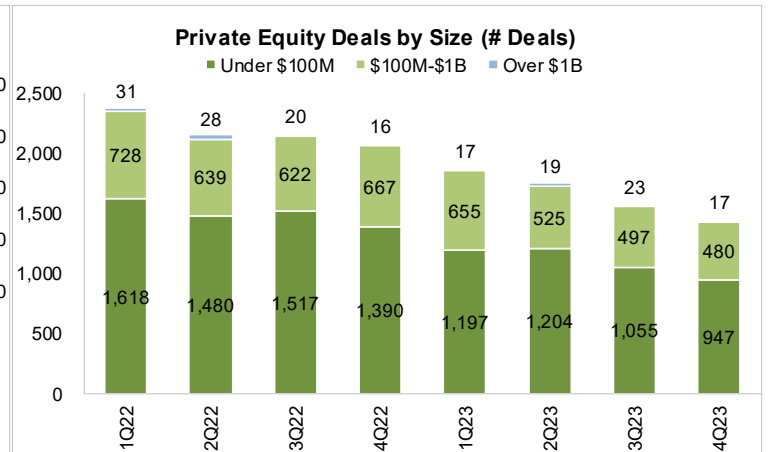
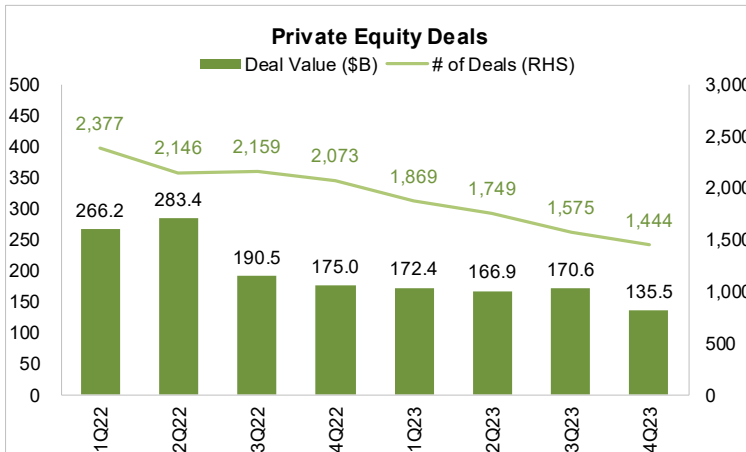
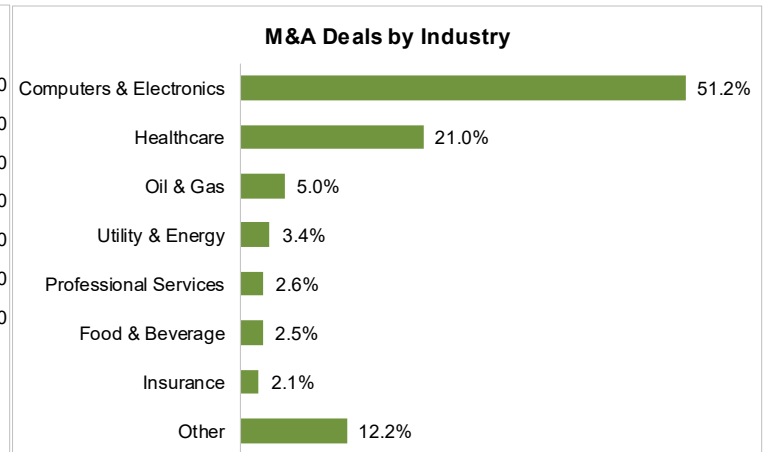
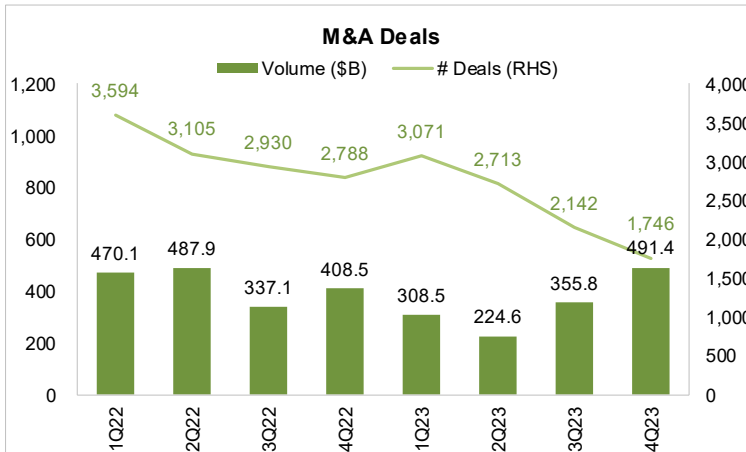


Source: Dealogic, World Federation of Exchanges, SIFMA estimates

Other Investment Banking: M&A and Private Equity

Other Investment Banking: Review of Quarterly Deals

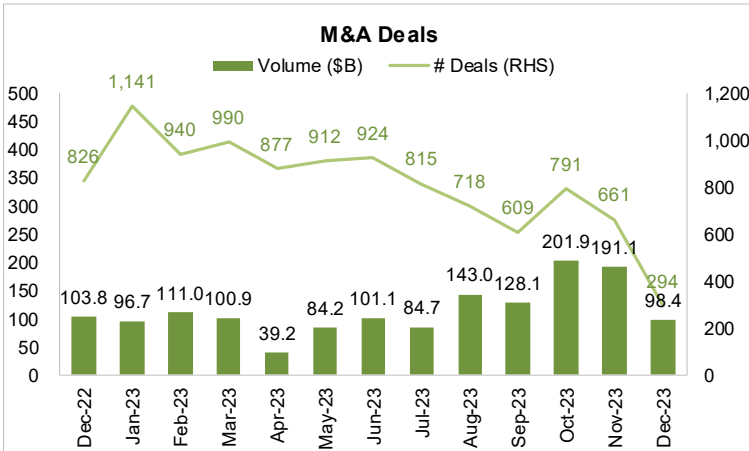
- M&A: \$491.4B; +38.1% Q/Q, +20.3% Y/Y
- Private equity: \$135.5B; -20.6% Q/Q, -22.6% Y/Y



Source: Dealogic, Pitchbook, SIFMA estimates

Other Investment Banking: Monthly Deal Trends

- M&A: \$98.4B; -48.5% M/M, -5.2% Y/Y

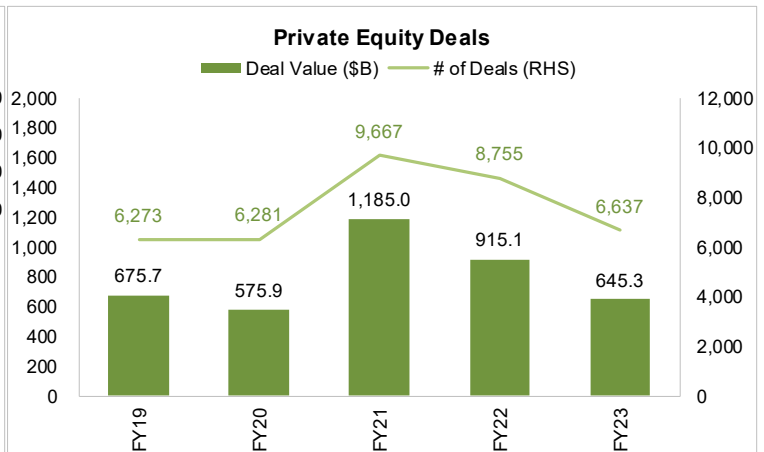
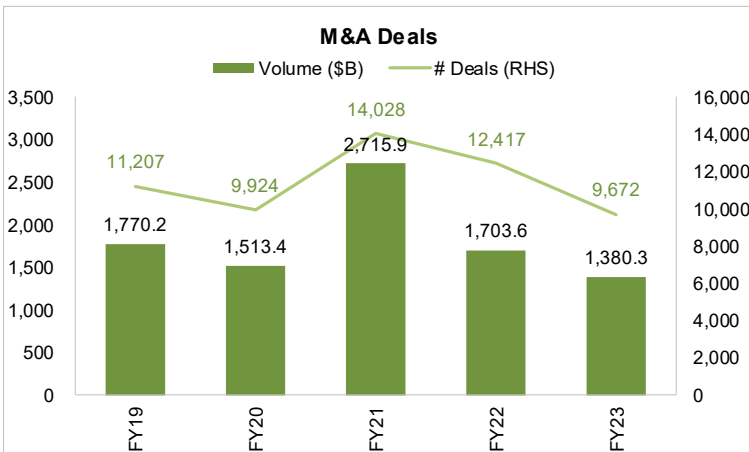


Source: Dealogic, SIFMA estimates

Note: Private equity data not available on monthly basis

Other Investment Banking: Annual Deal Update

- M&A: \$1,380.3B, -19.0% Y/Y
- Private equity: \$645.3B, -29.5% Y/Y

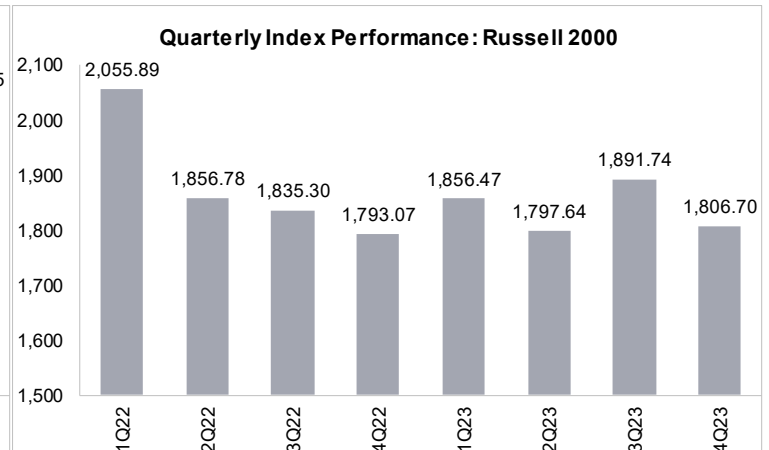
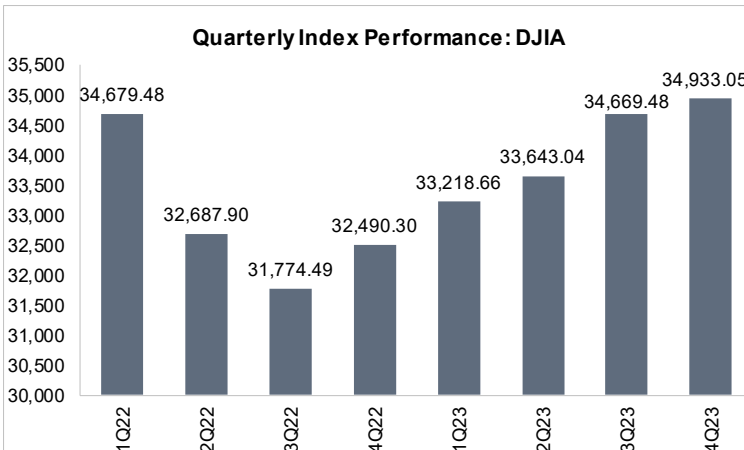
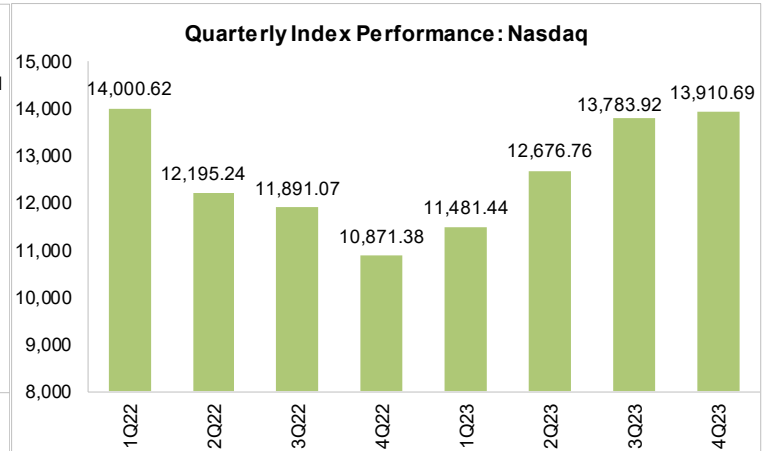
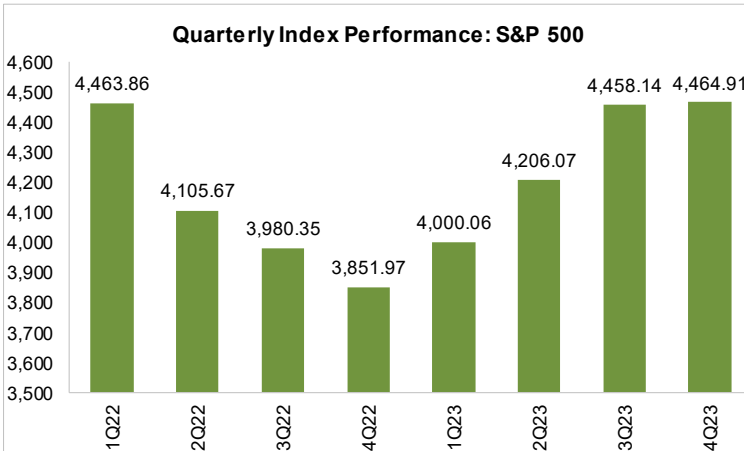


Source: Dealogic, SIFMA estimates

Secondary Markets: US Equity Market Performance, Volatility, and Volumes

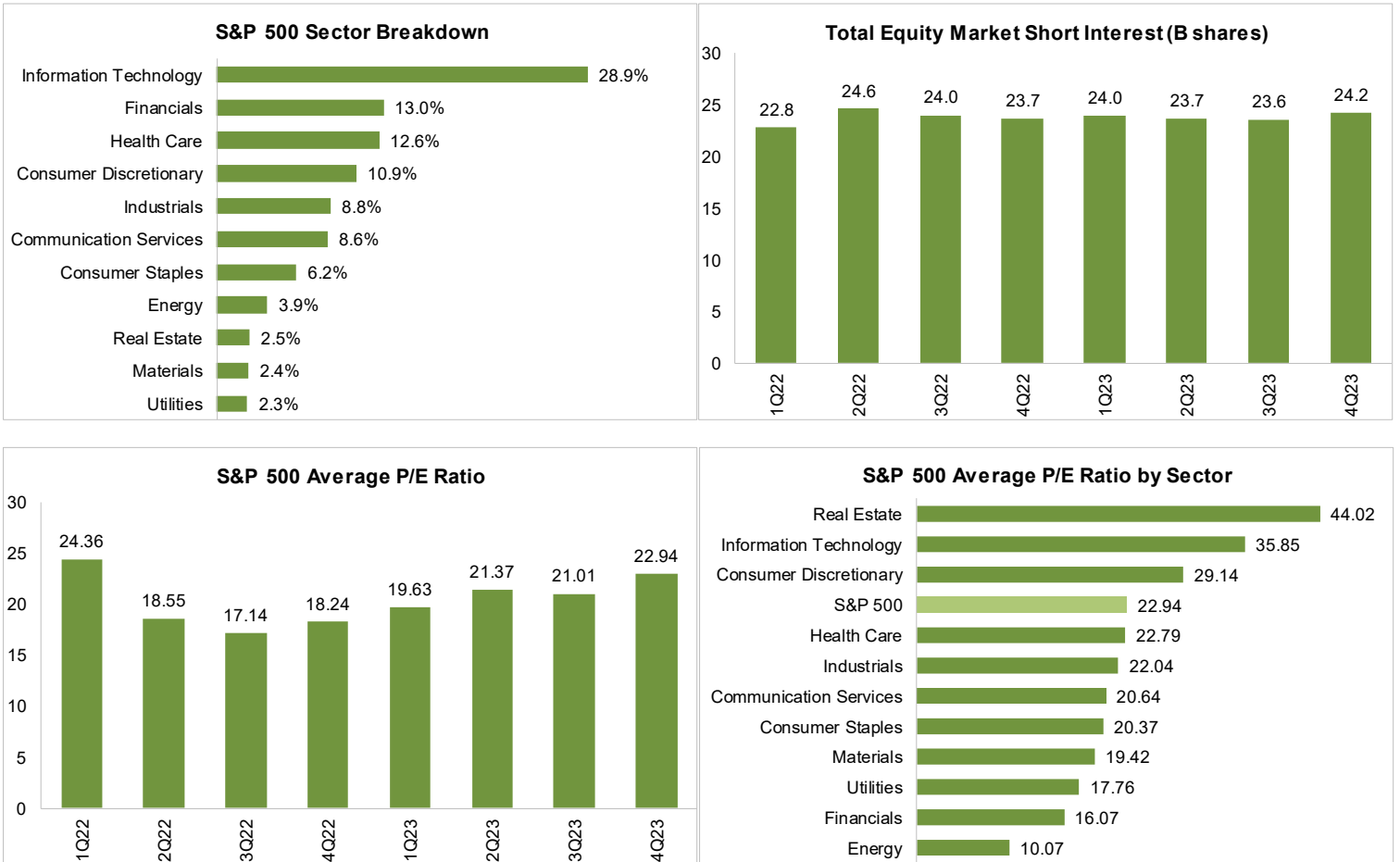
US Equity Market Performance: Review of Quarterly Index Prices (Averages)

- S&P 500: \$4,464.91; +0.2% Q/Q, +15.9% Y/Y
 - Top sector breakout: technology 28.9%, financials 13.0%, healthcare 12.6%
 - Short interest: 24.2B shares
 - P/E ratio: 22.94x
- Nasdaq: \$13,910.69; +0.9% Q/Q, +28.0% Y/Y
- DJIA: \$34,933.05; +0.8% Q/Q, +7.5% Y/Y
- Russell 2000: \$1,806.70; -4.5% Q/Q, +0.8% Y/Y



Source: Bloomberg, SIFMA estimates

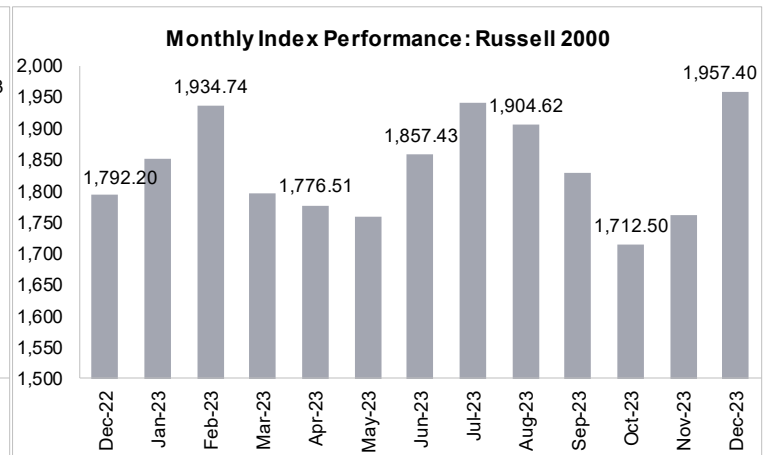
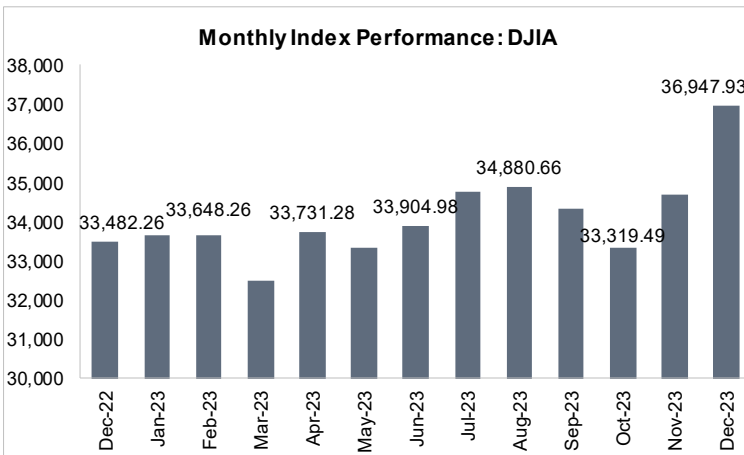
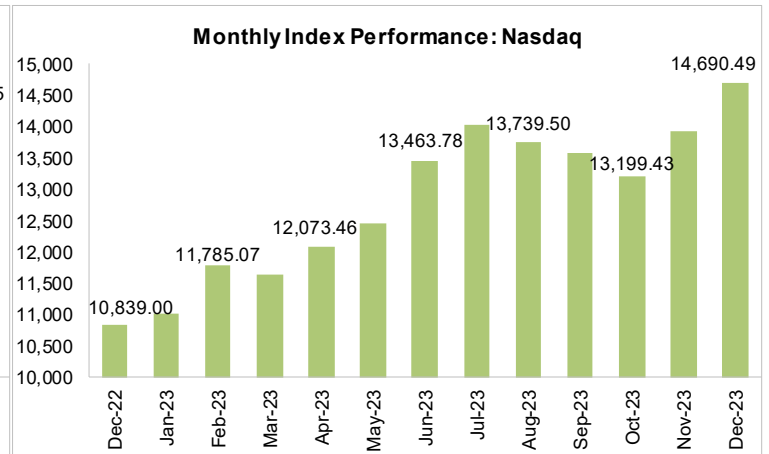
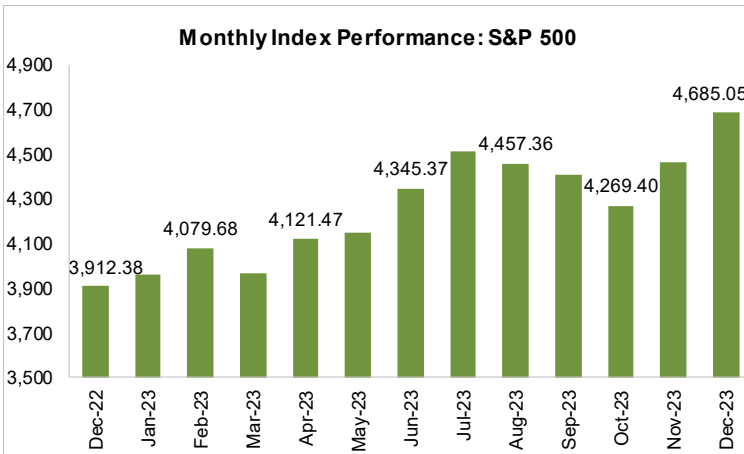
Secondary Markets: US Equity Market Performance, Volatility, and Volumes



Source: Bloomberg, S&P Dow Jones Indices, SIFMA estimates

US Equity Market Performance: Monthly Index Price Trends (Averages)

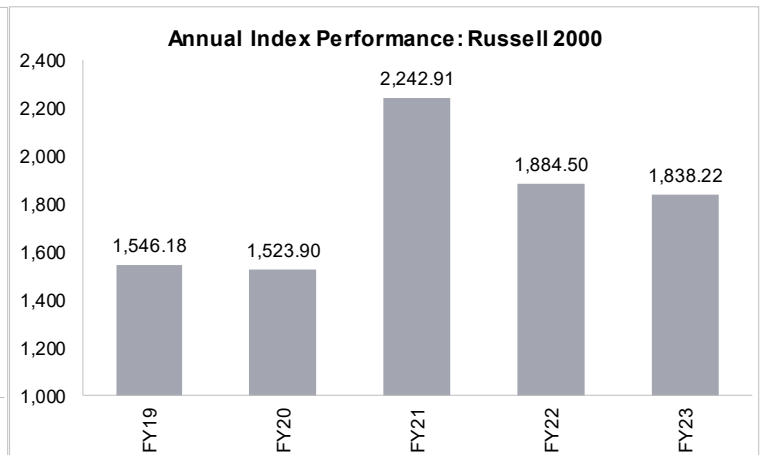
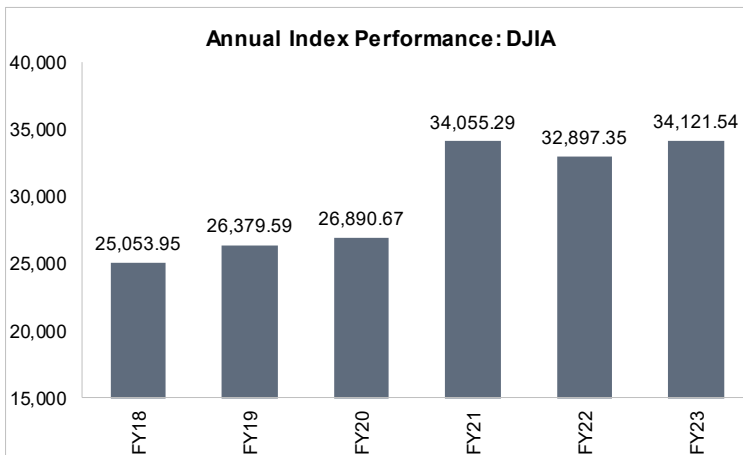
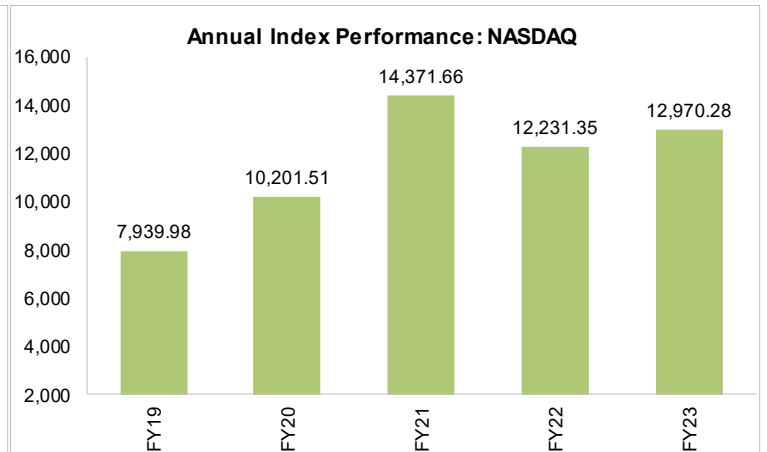
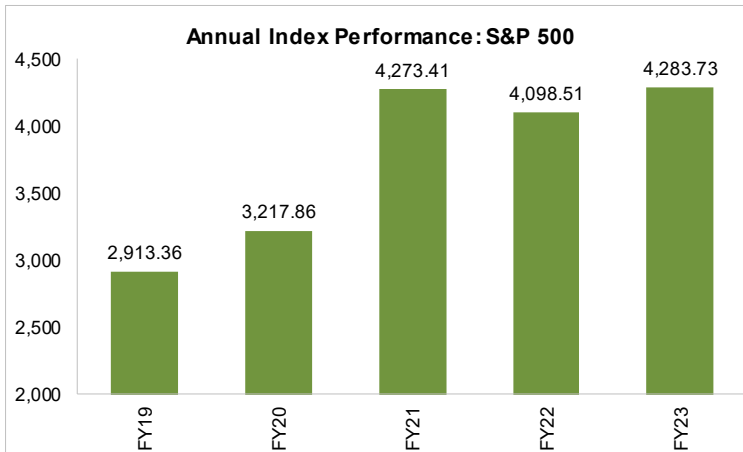
- S&P 500: \$4,685.05; +5.0% M/M, +19.7% Y/Y
- Nasdaq: \$14,690.49; -5.6% M/M, +35.5% Y/Y
- DJIA: \$36,947.93; +6.5% M/M, +10.4% Y/Y
- Russell 2000: \$1,957.40; +11.1% M/M, +9.2% Y/Y



Source: Bloomberg, SIFMA estimates

US Equity Market Performance: Annual Index Price Update (Averages)

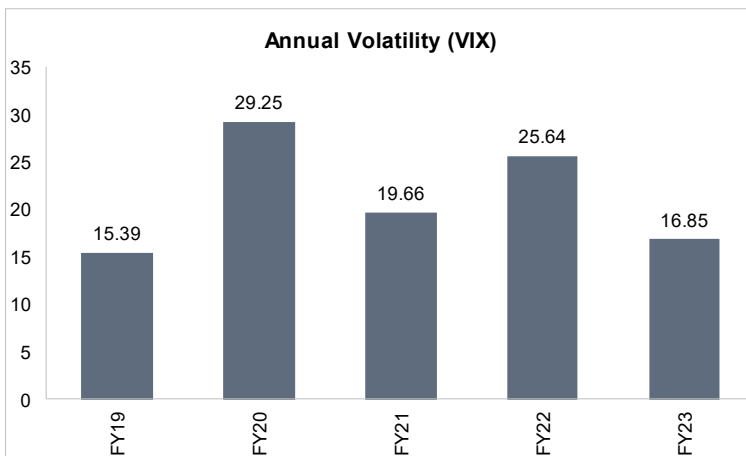
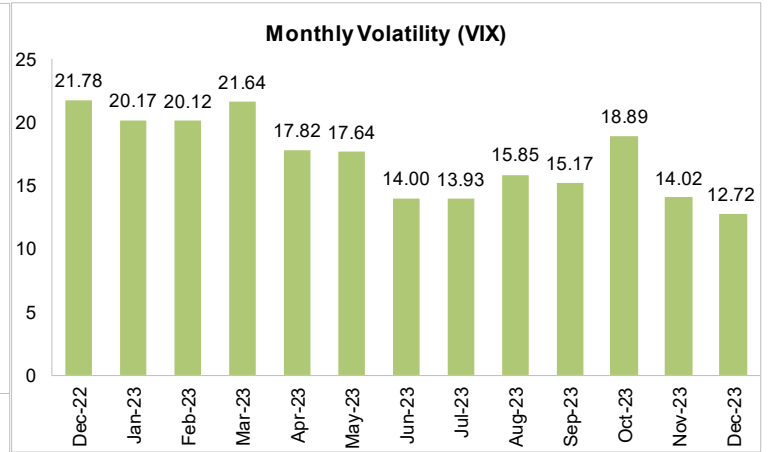
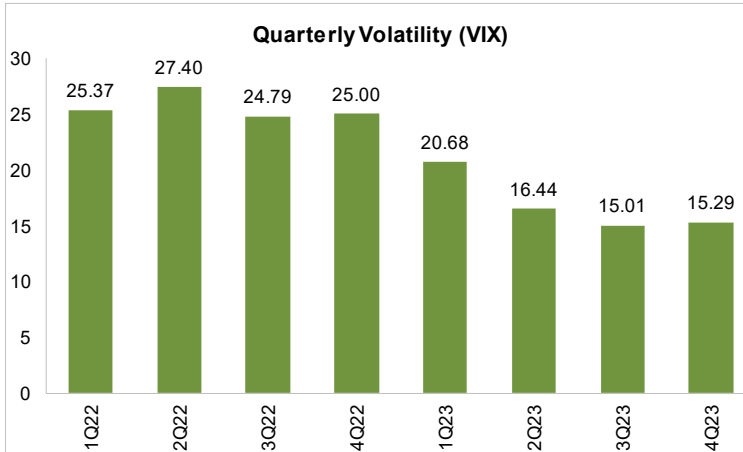
- S&P 500: \$4,283.73, +4.5% Y/Y
- Nasdaq: \$12,970.28, +6.0% Y/Y
- DJIA: \$34,121.54, +3.7% Y/Y
- Russell 2000: \$1,838.22, -2.5% Y/Y



Source: Bloomberg, SIFMA estimates

Volatility Trends: Average VIX

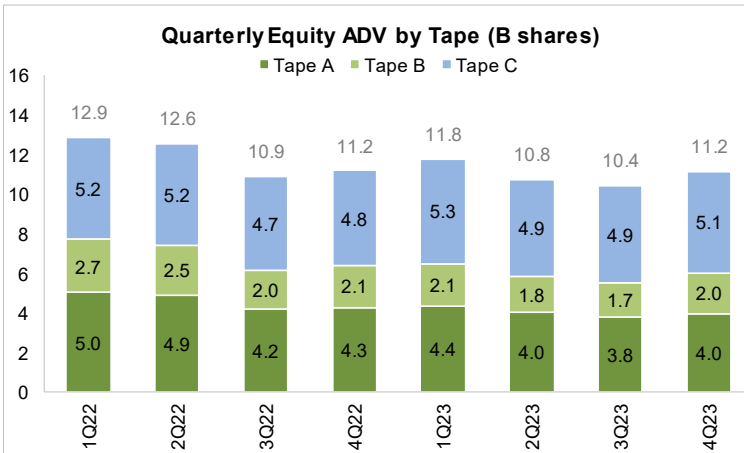
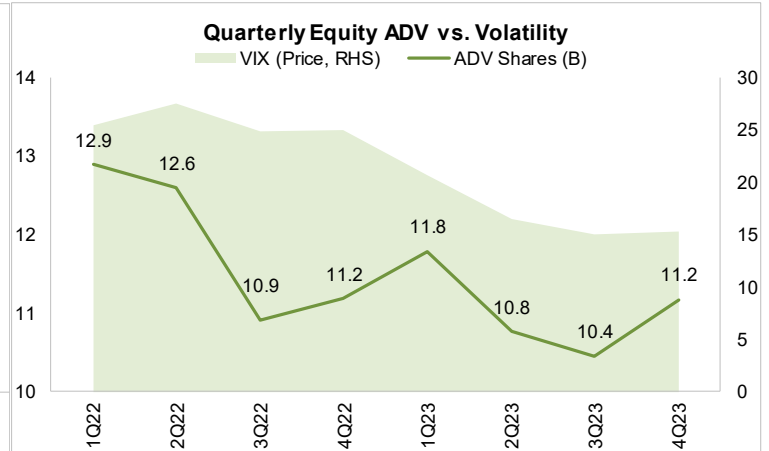
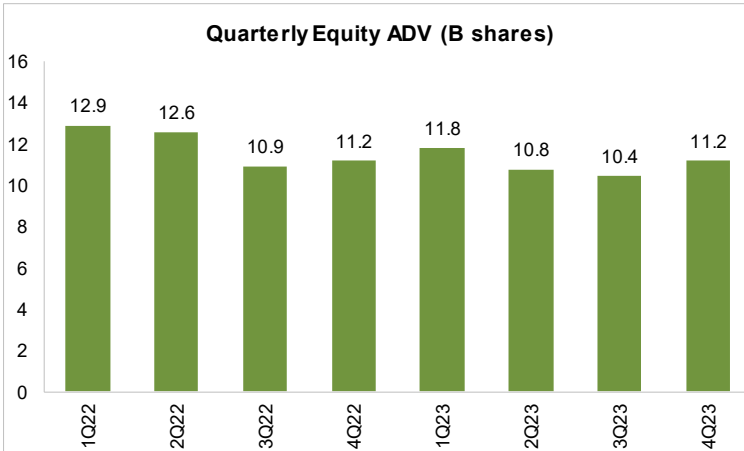
- Quarter: 15.29; +1.9% Q/Q, -38.8% Y/Y
- Final Month: 12.72; -9.3% M/M, -41.6% Y/Y
- Annual: 16.85; -33.4% Y/Y



Source: Bloomberg, SIFMA estimates

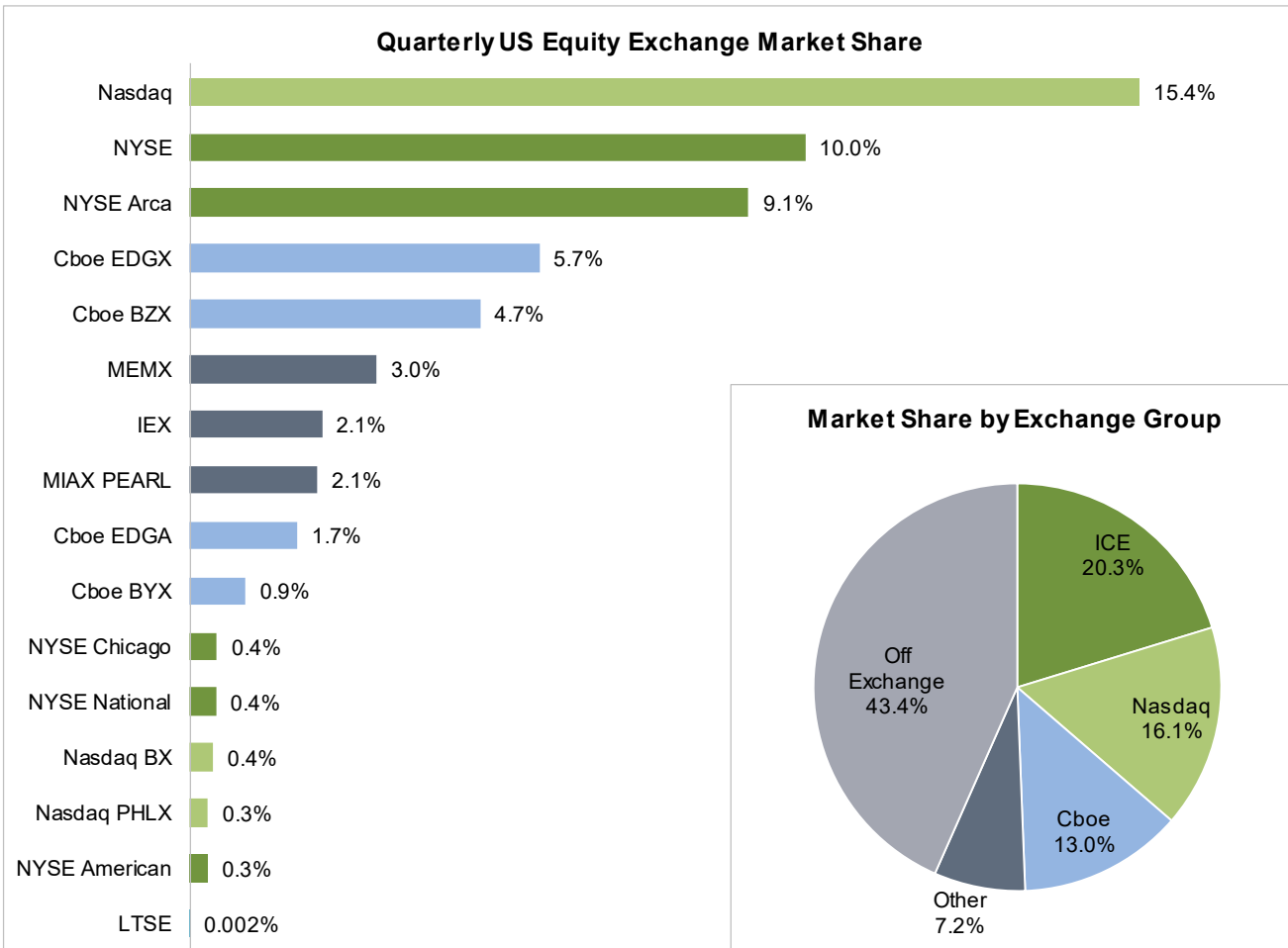
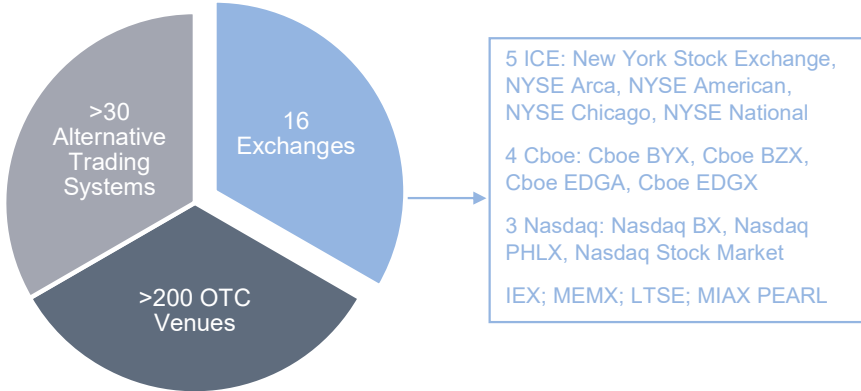
US Equity Volumes: Review of Quarterly ADV

- Equity ADV: 11.2B shares; +7.0% Q/Q, -0.1% Y/Y
- Off-exchange trading: 43.4%; -0.2 pps Q/Q, +0.3 pps Y/Y



Source: Bloomberg, Cboe Global Markets, SIFMA estimates

US Equity Exchanges: Quarterly Market Share

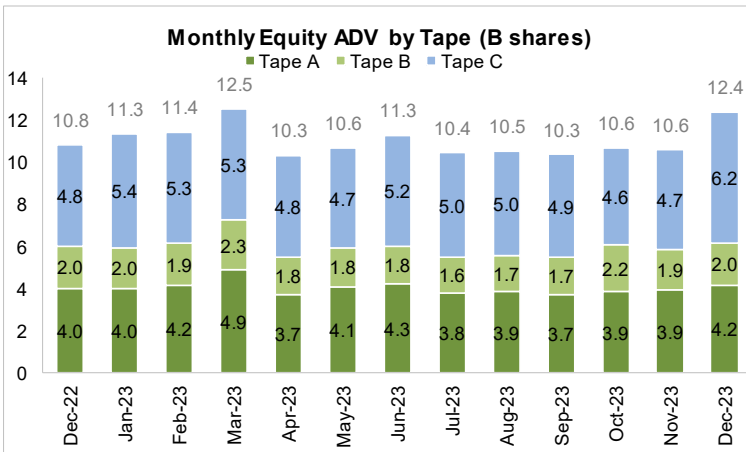
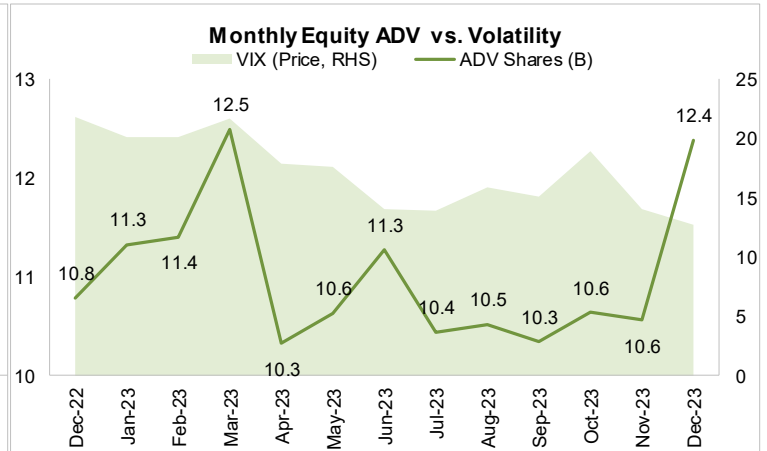
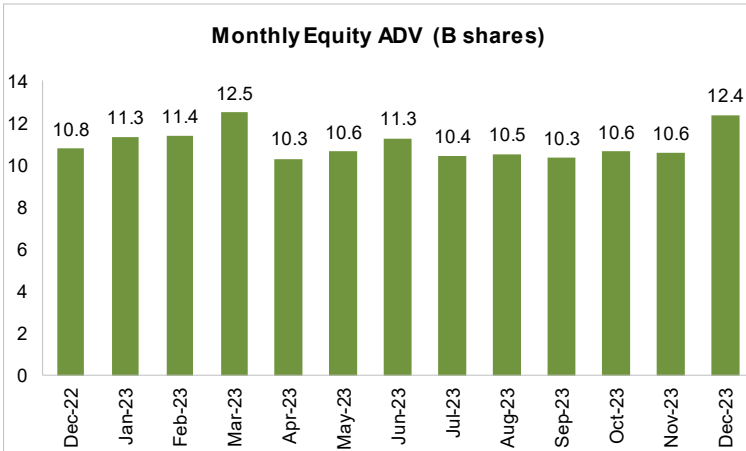


Source: Cboe Global Markets, FINRA, SIFMA estimates

Note: Intercontinental Exchange (ICE) owns the NYSE exchanges. Other = IEX, MEMX, LTSE
 IEX = Investors Exchange; MEMX = Members Exchange; LTSE = Long-Term Stock Exchange

US Equity Volumes: Monthly ADV Trends

- Equity ADV: 12.4B shares; +17.3% M/M, +14.8% Y/Y

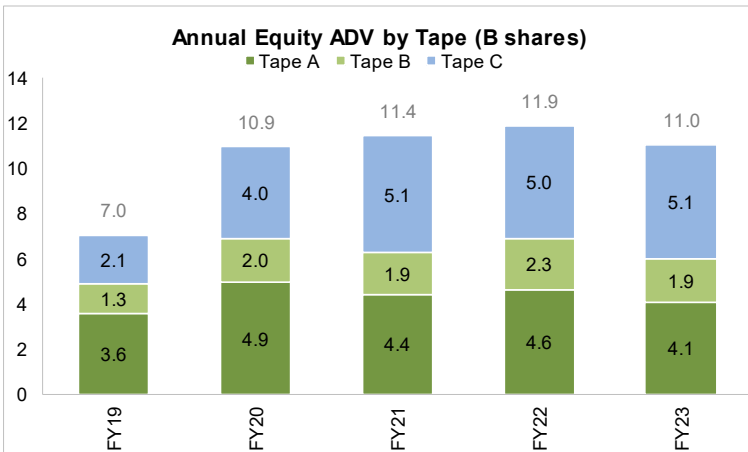
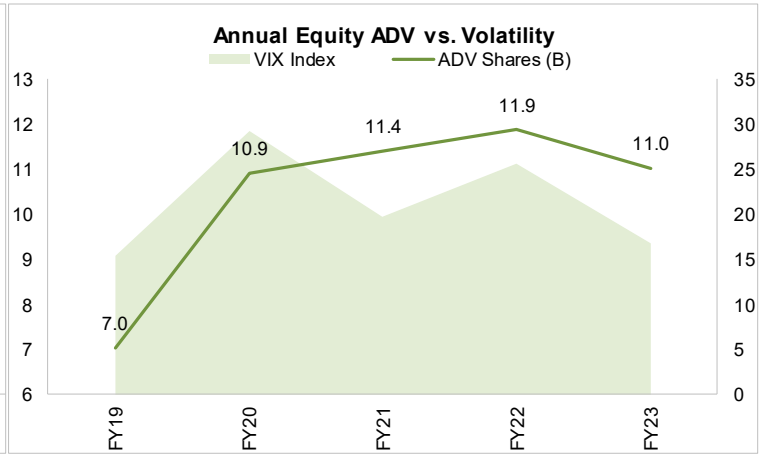
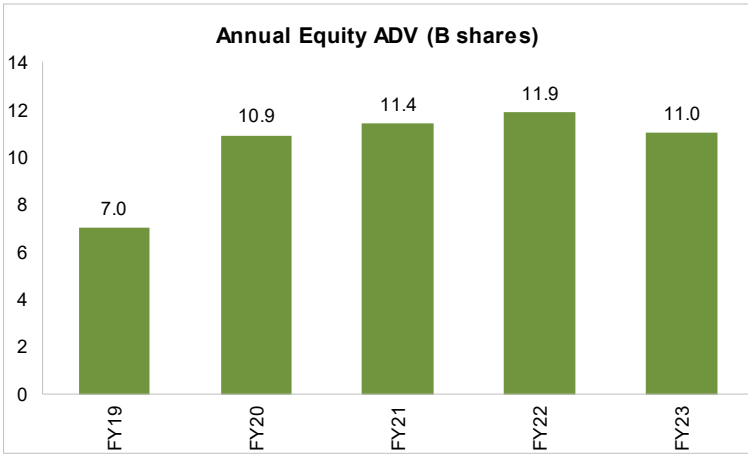


Source: Bloomberg, Cboe Global Markets, SIFMA estimates

Note: Tape A = NYSE listed stocks, Tape B = formerly regionals, now mostly NYSE Arca, Tape C = Nasdaq listed stocks

US Equity Volumes: Annual ADV Update

- Equity ADV: 11.0B shares, -7.1% Y/Y

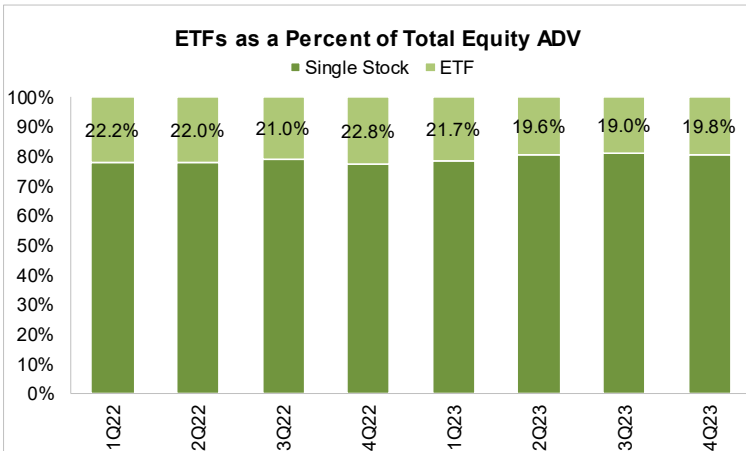
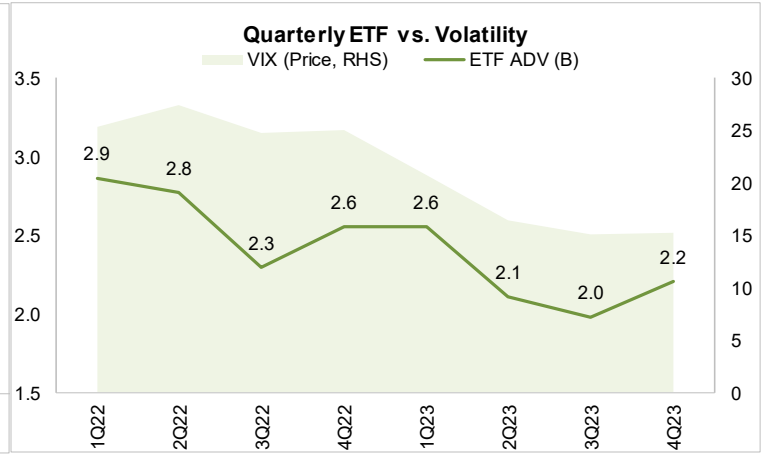
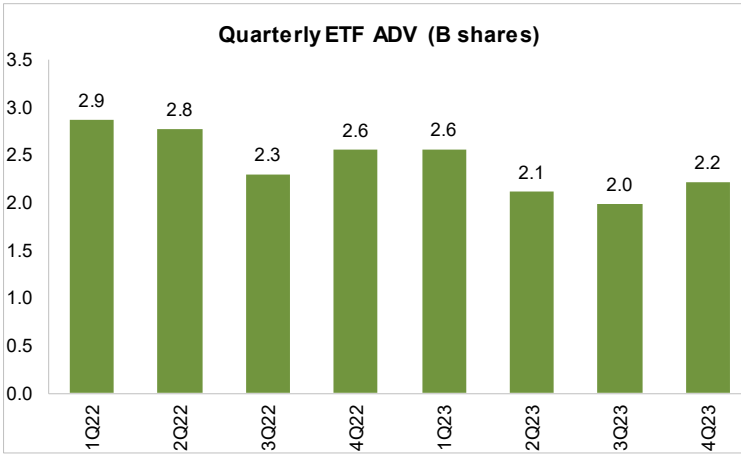


Source: Cboe Global Markets, SIFMA estimates

Note: Tape A = NYSE listed stocks, Tape B = formerly regionals, now mostly NYSE Arca, Tape C = Nasdaq listed stocks

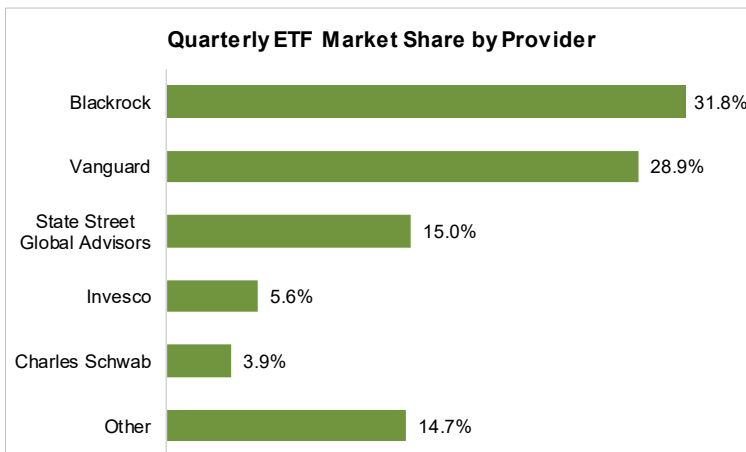
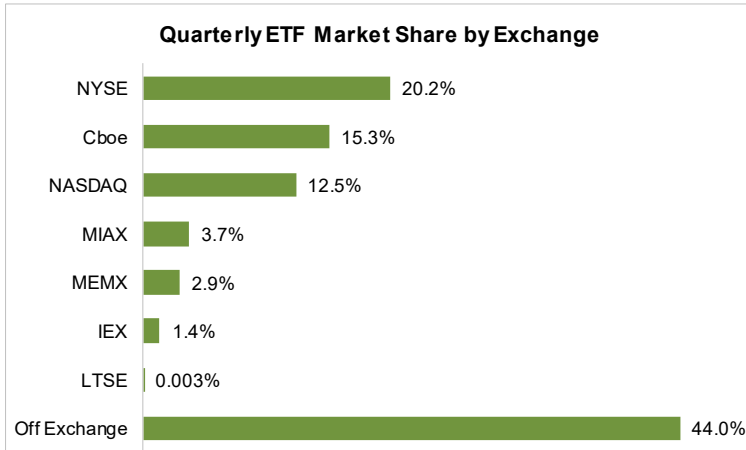
US ETF Volumes: Review of Quarterly ADV

- ETF ADV: 2.2B shares; +11.3% Q/Q, -13.5% Y/Y
- ETF as a percent of total equity volumes: 19.8%; +0.8 pps Q/Q, -3.1 pps Y/Y



Source: Bloomberg, Cboe Global Markets, SIFMA estimates

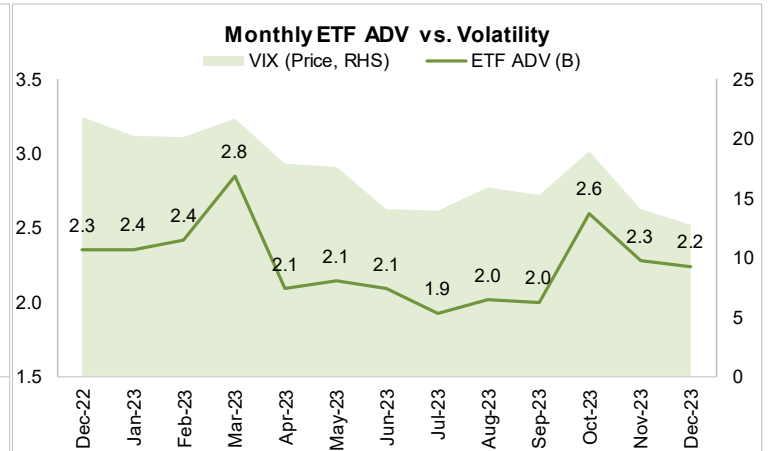
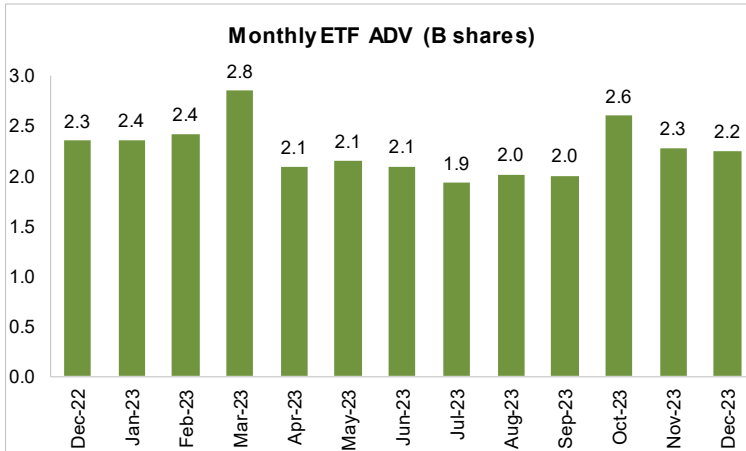
US ETF Exchange & Providers: Quarterly Market Share



Source: Cboe Global Markets, etf.com, SIFMA estimates

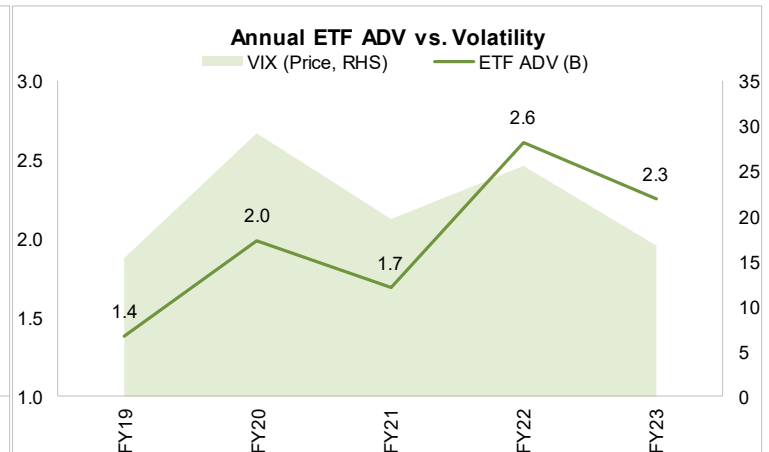
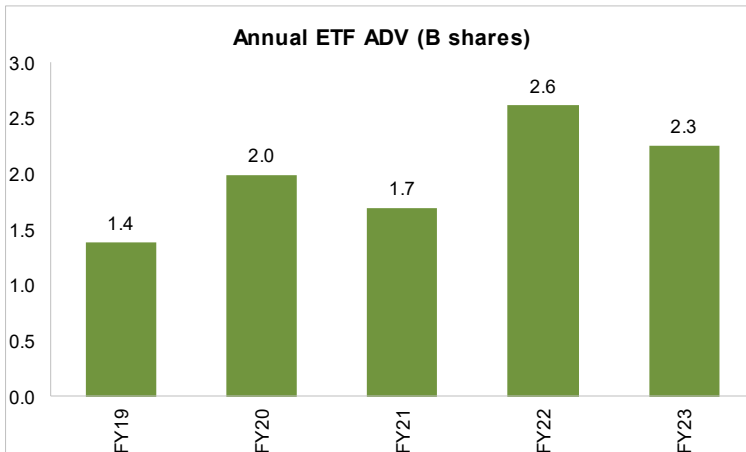
US ETF Volumes: Monthly ADV Trends

- ETF: 2.2B shares; -1.5% M/M, -4.6% Y/Y



US ETF Volumes: Annual ADV Trends

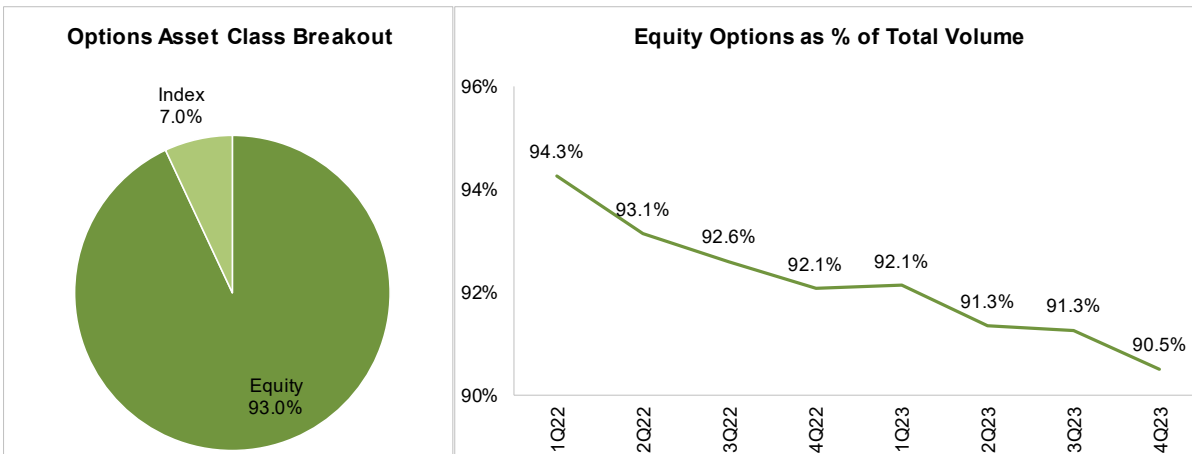
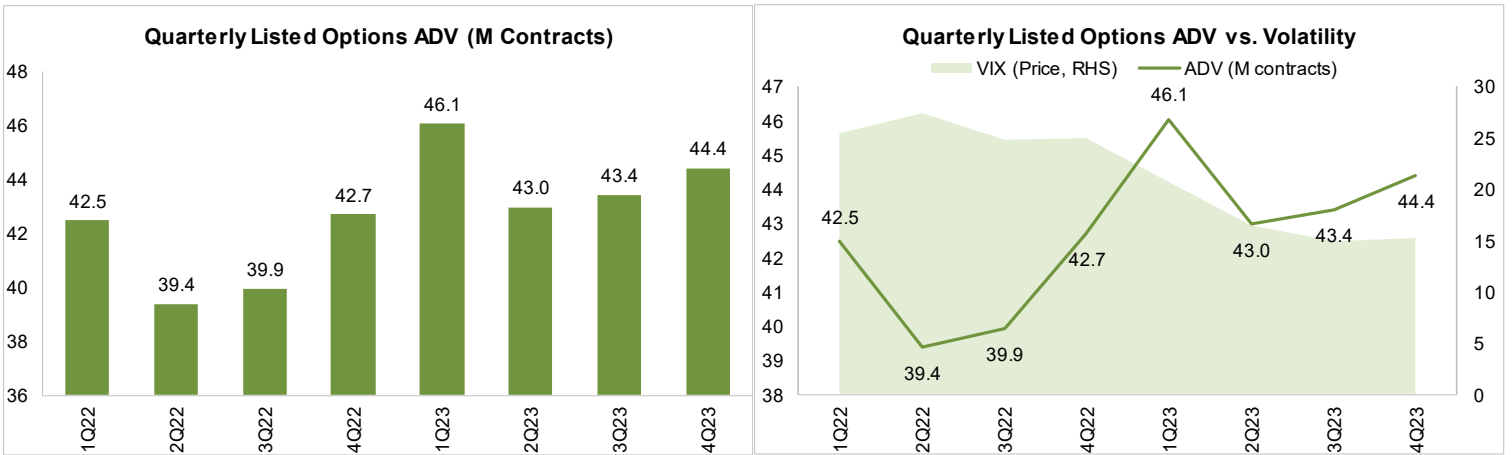
- ETF: 2.3B shares; -13.8% Y/Y



Source: Bloomberg, Cboe Global Markets, SIFMA estimates

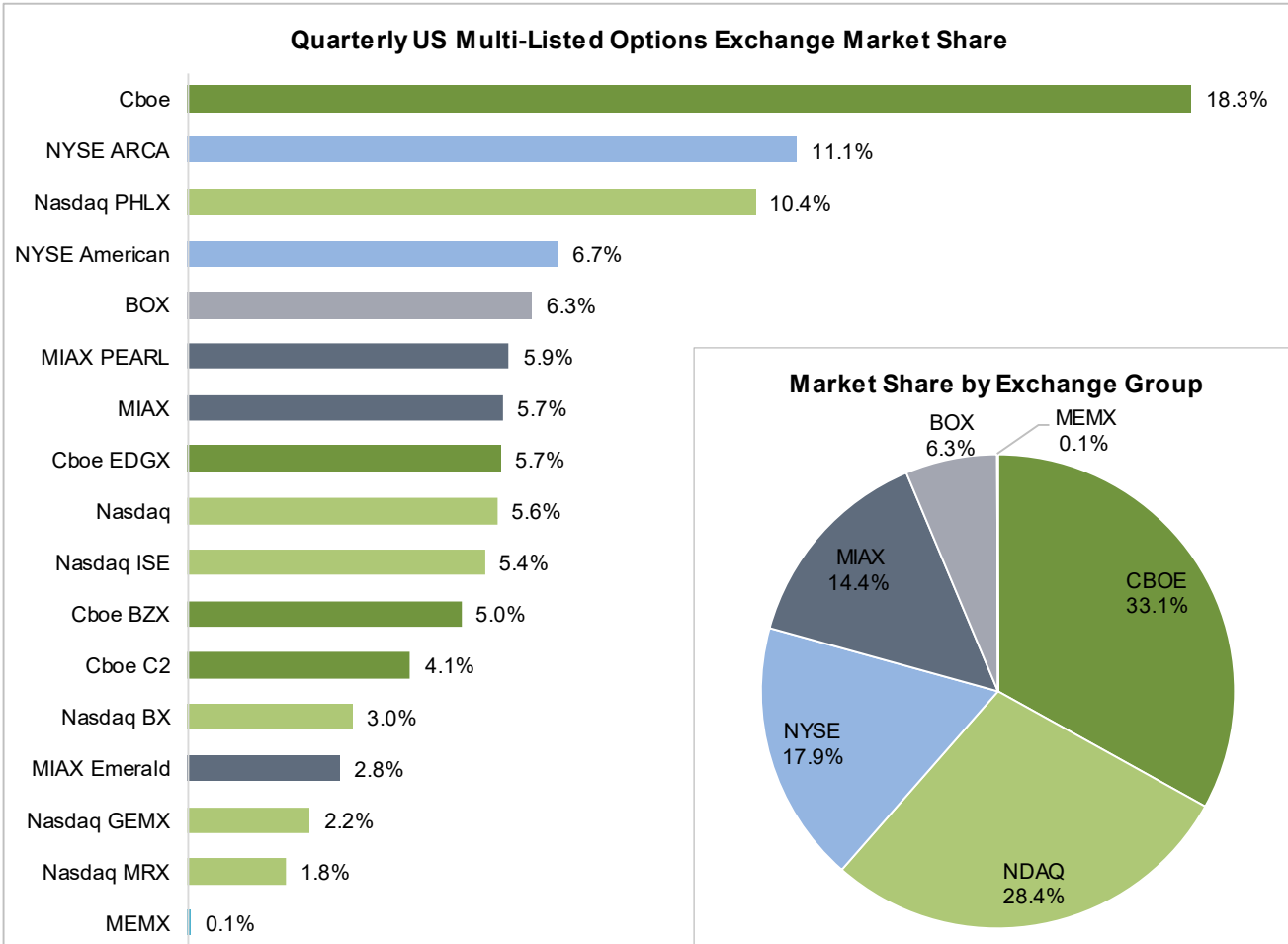
US Multi-Listed Options Volumes: Review of Quarterly ADV

- Multi-listed options ADV: 44.4M contracts; +2.3% Q/Q, +4.0% Y/Y
- Equity options percent of total options volumes: 90.5%; -0.8 pps Q/Q, -1.6 pps Y/Y



Source: Bloomberg, The Options Clearing Corporation, SIFMA estimates

US Multi-Listed Options Exchanges: Quarterly Market Share

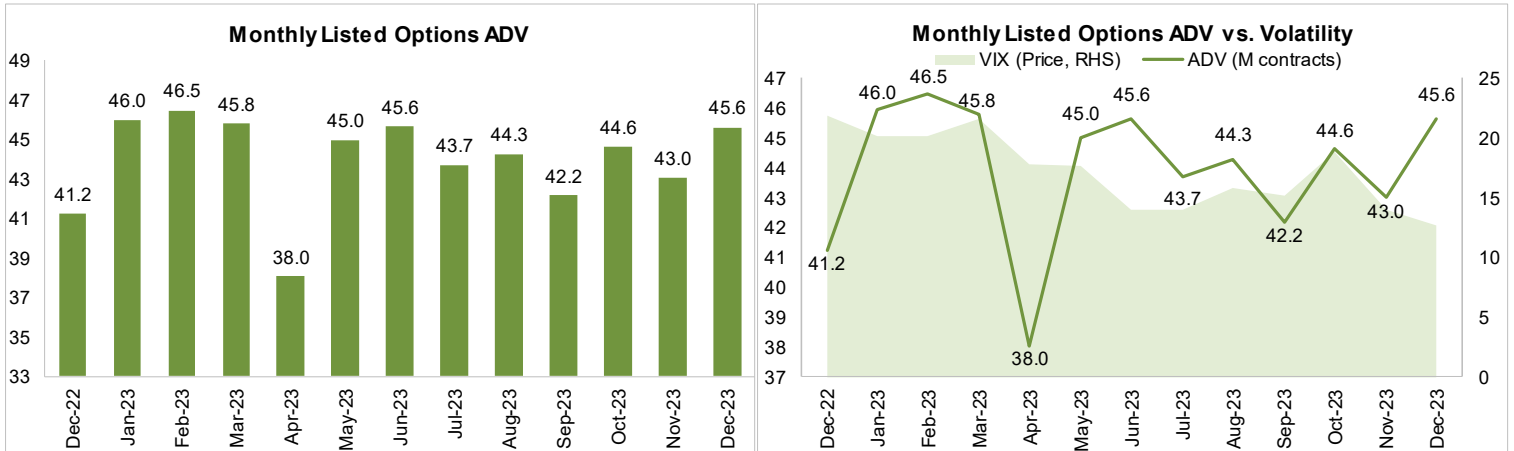


Source: The Options Clearing Corporation (OCC), SIFMA estimates

Note: Intercontinental Exchange (ICE) owns the NYSE exchanges. Excludes futures and stock loan data

US Multi-Listed Options Volumes: Monthly ADV Trends

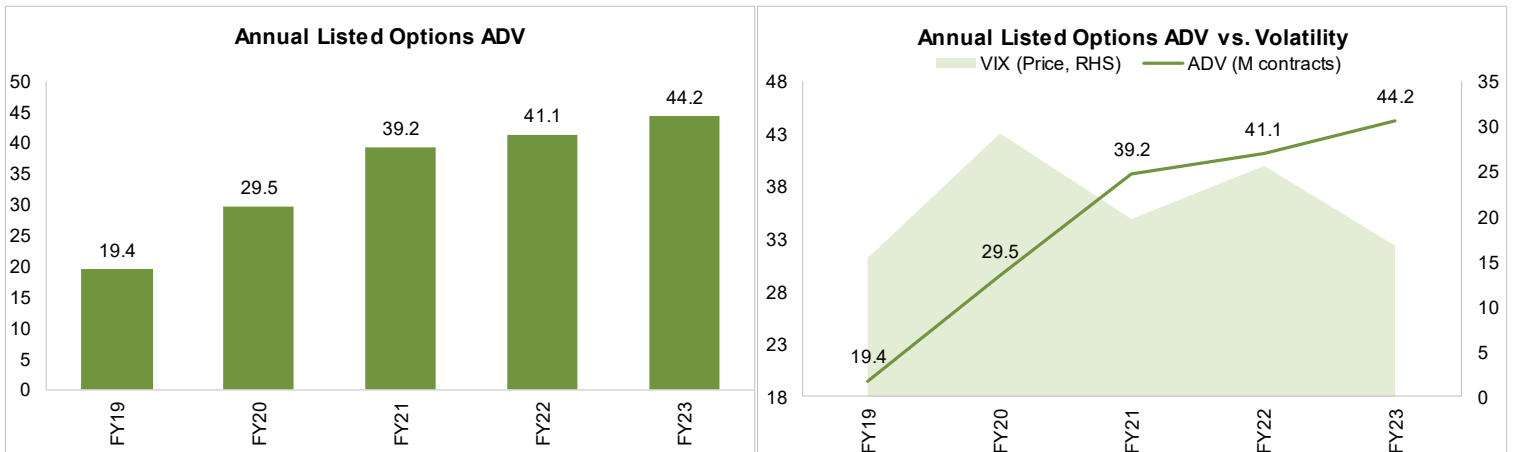
- Multi-listed options ADV monthly average: 45.6M contracts; +6.0% M/M, +10.7% Y/Y



Source: Bloomberg, The Options Clearing Corporation, SIFMA estimates

US Multi-Listed Options Volumes: Annual ADV Update

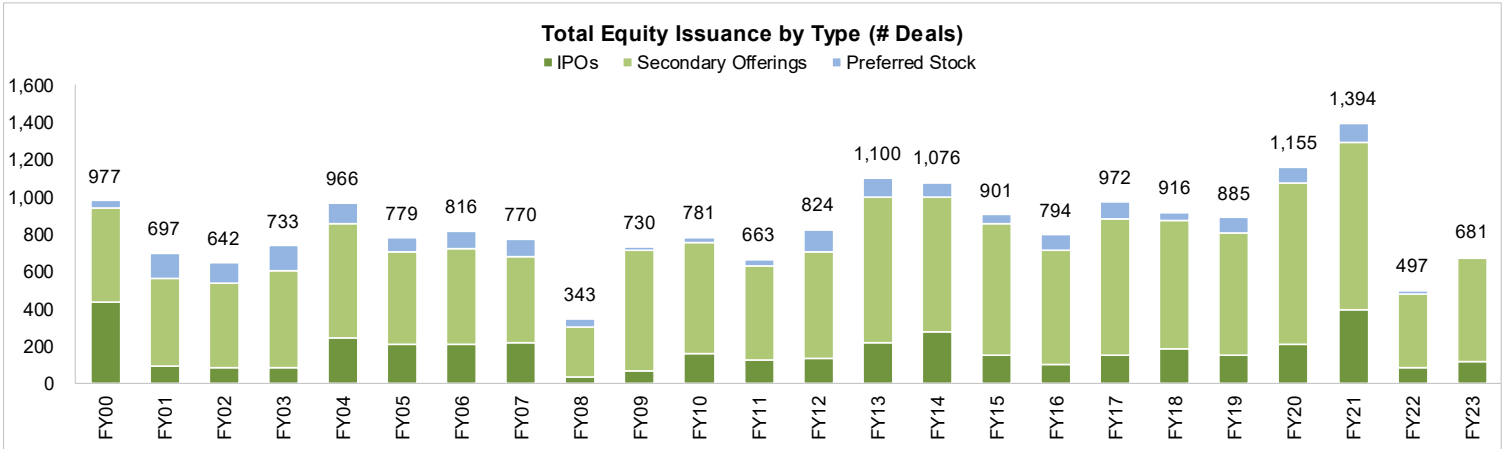
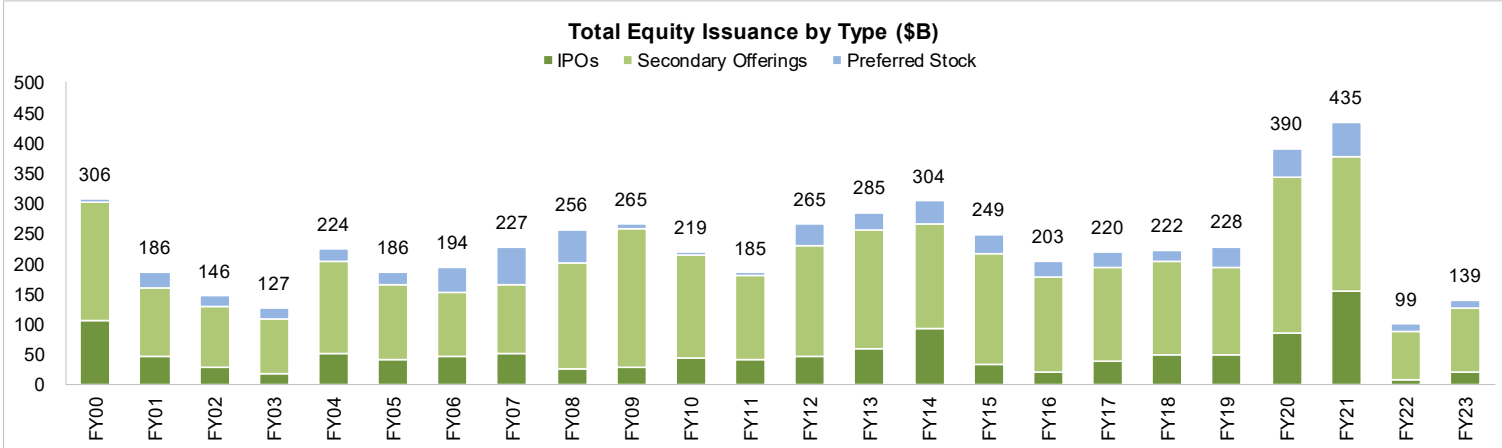
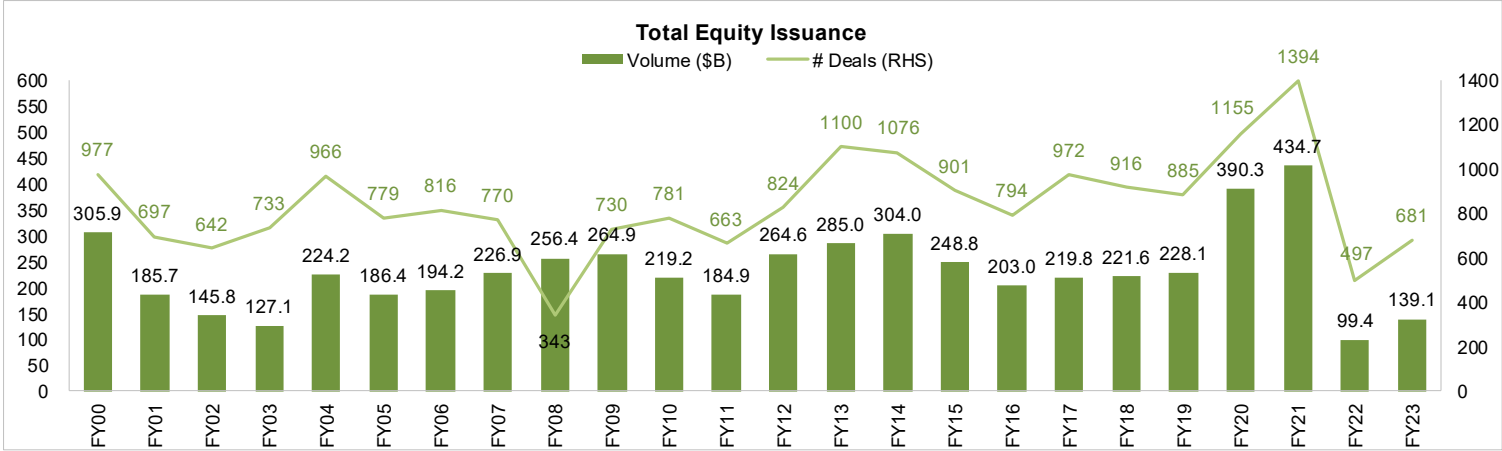
- Multi-listed options ADV annual average: 44.2M contracts, +7.5% Y/Y



Source: Bloomberg, The Options Clearing Corporation, SIFMA estimates

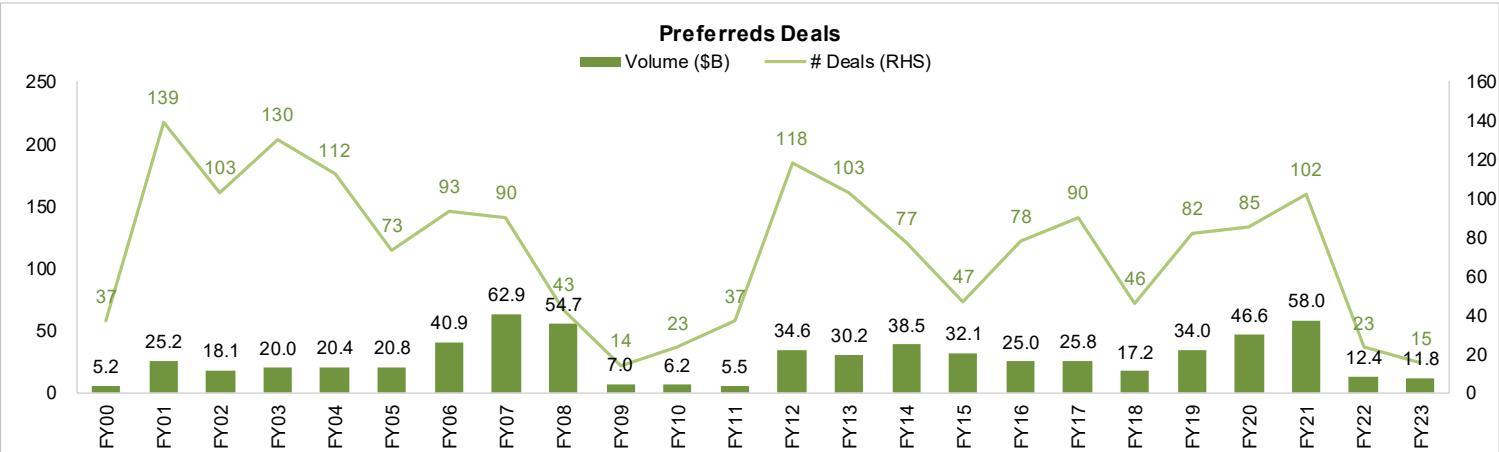
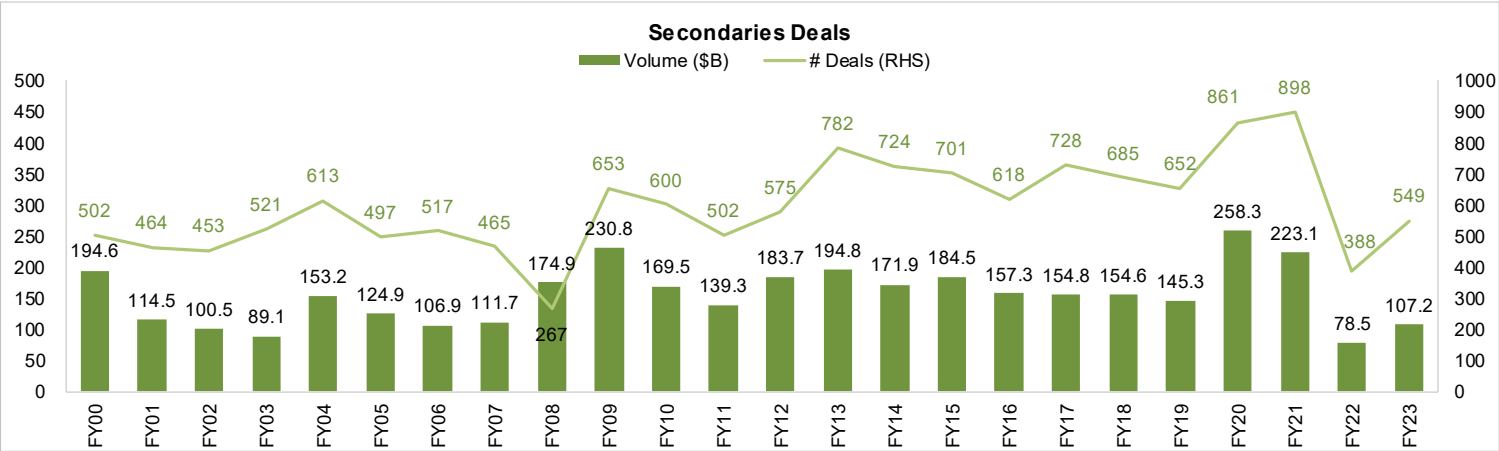
Appendix: Historical Trends

US Equity Capital Formation

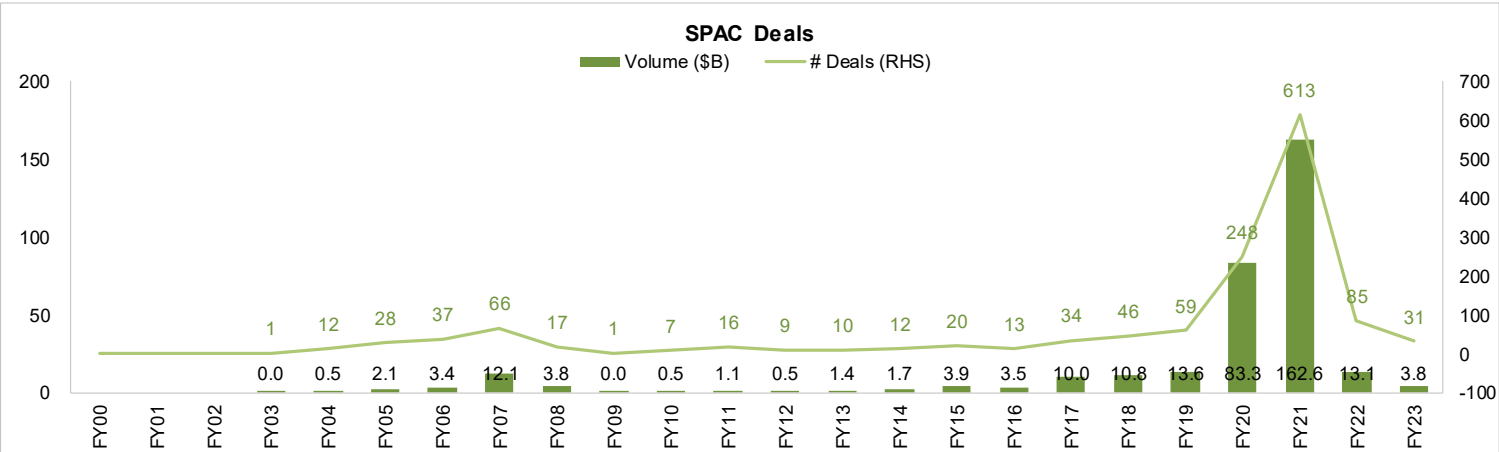
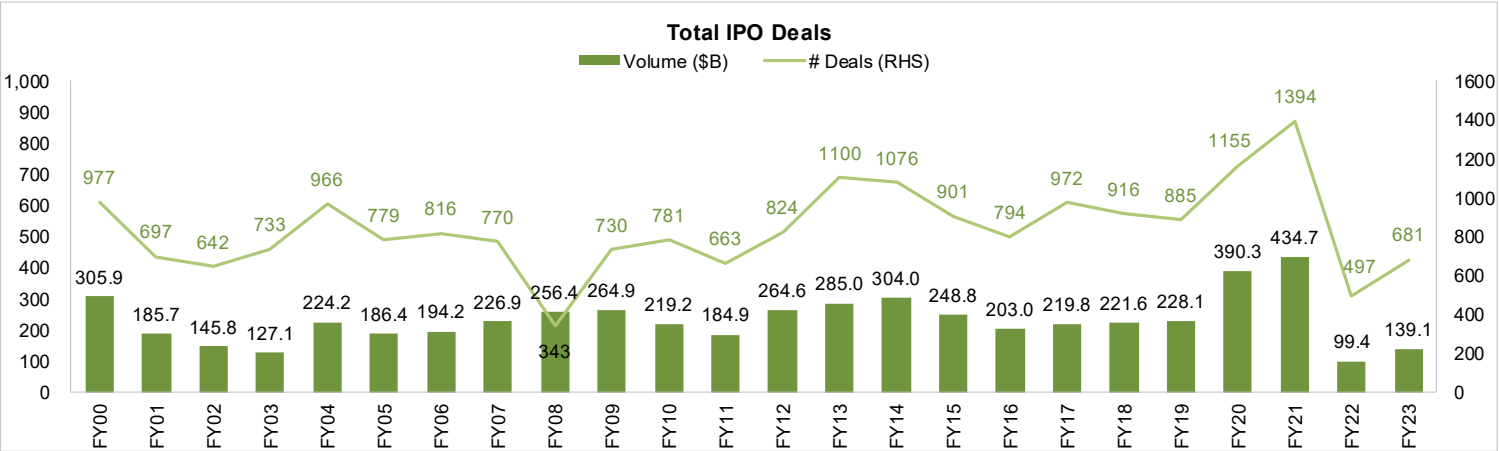


Source: Dealogic, SIFMA estimates

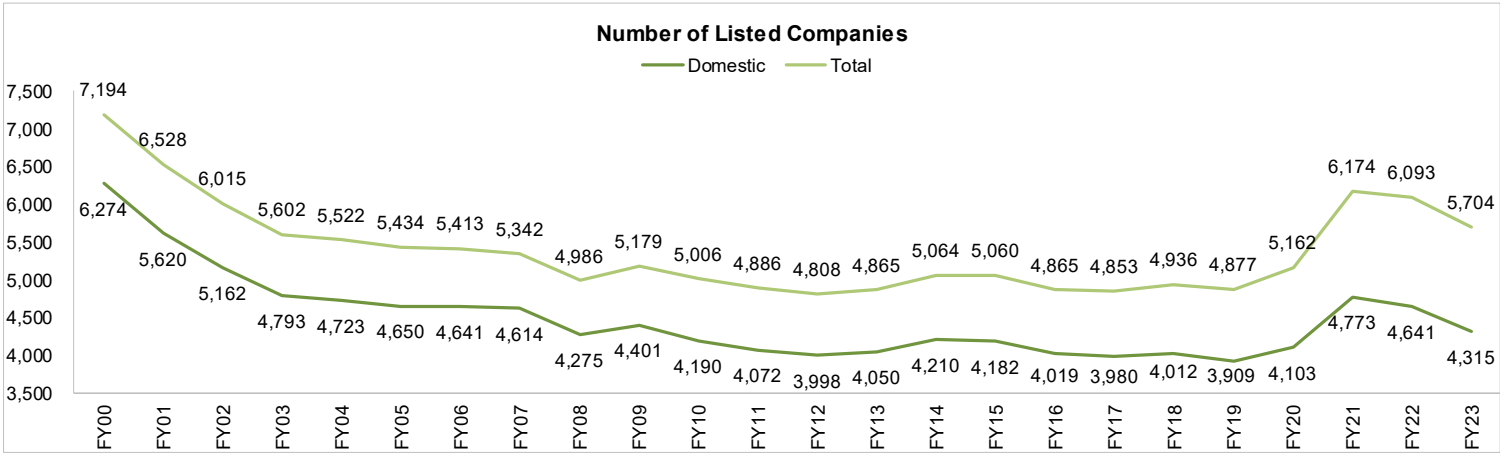
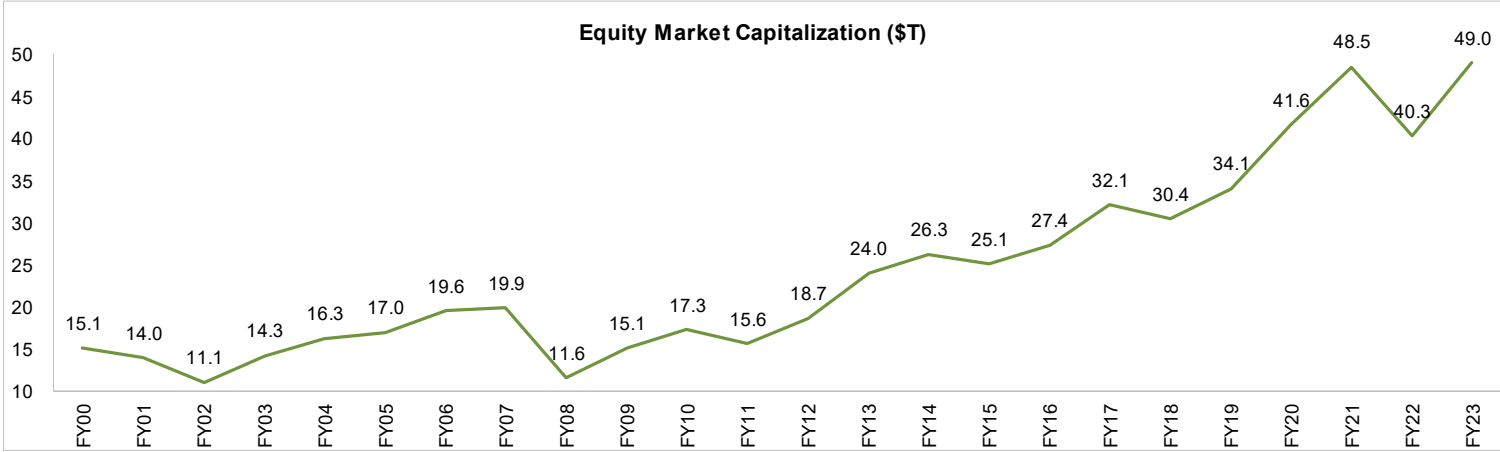
Note: Equity data includes rank eligible deals, excludes, BDCs, SPACs, ETFs, CLEFs and rights offers



Source: Dealogic, SIFMA estimates

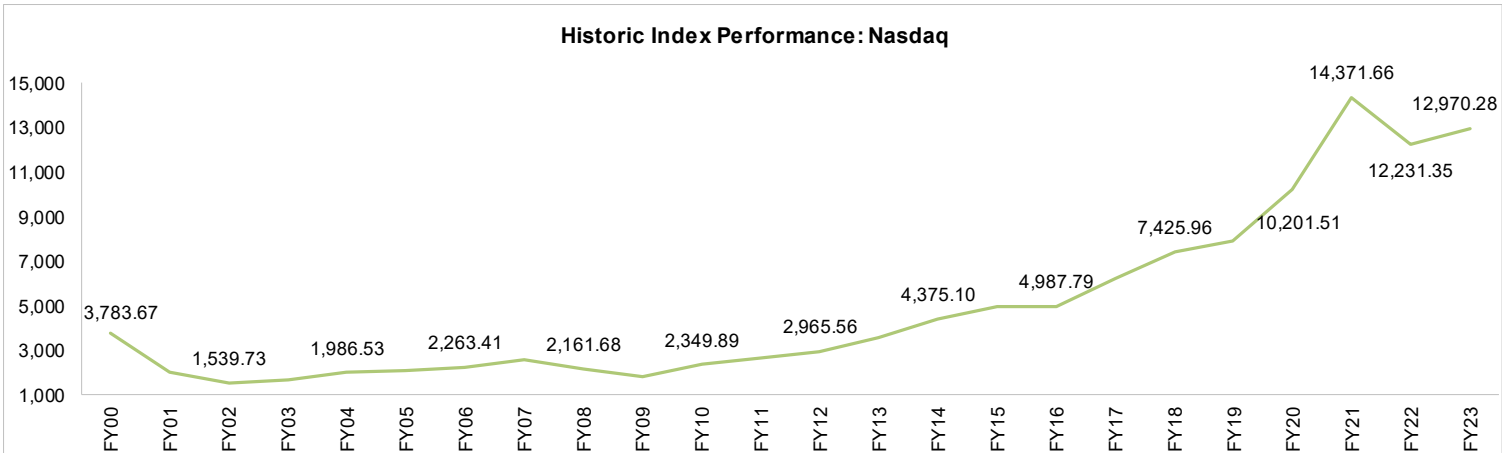
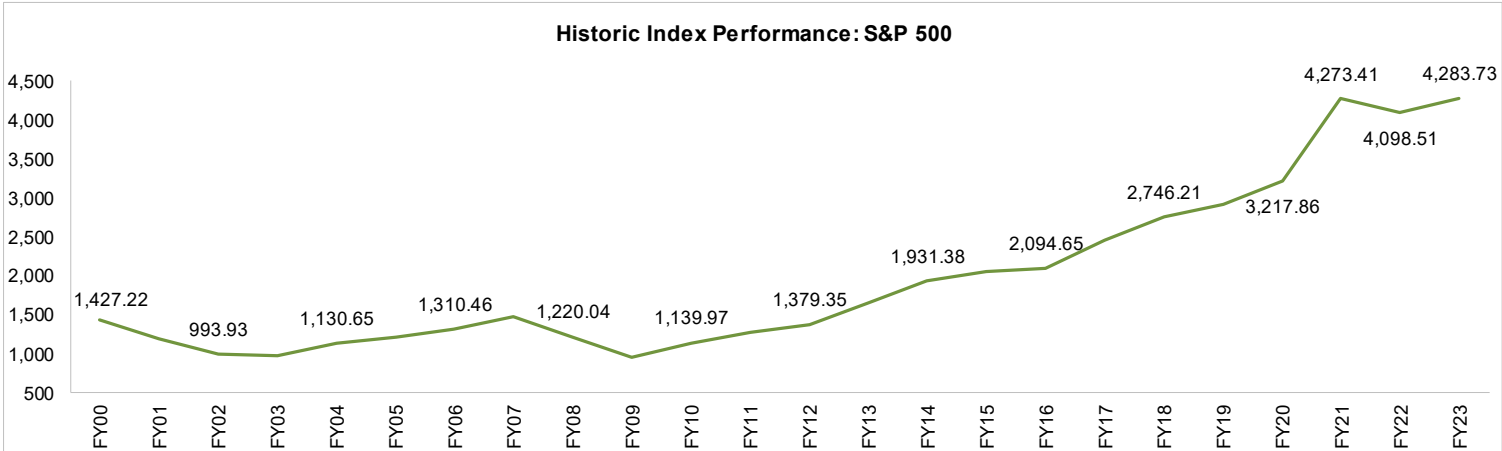


Source: Dealogic, SIFMA estimates
 Note: IPO data includes rank eligible deals, excludes, BDCs, SPACs, ETFs, CLEFs and rights offers

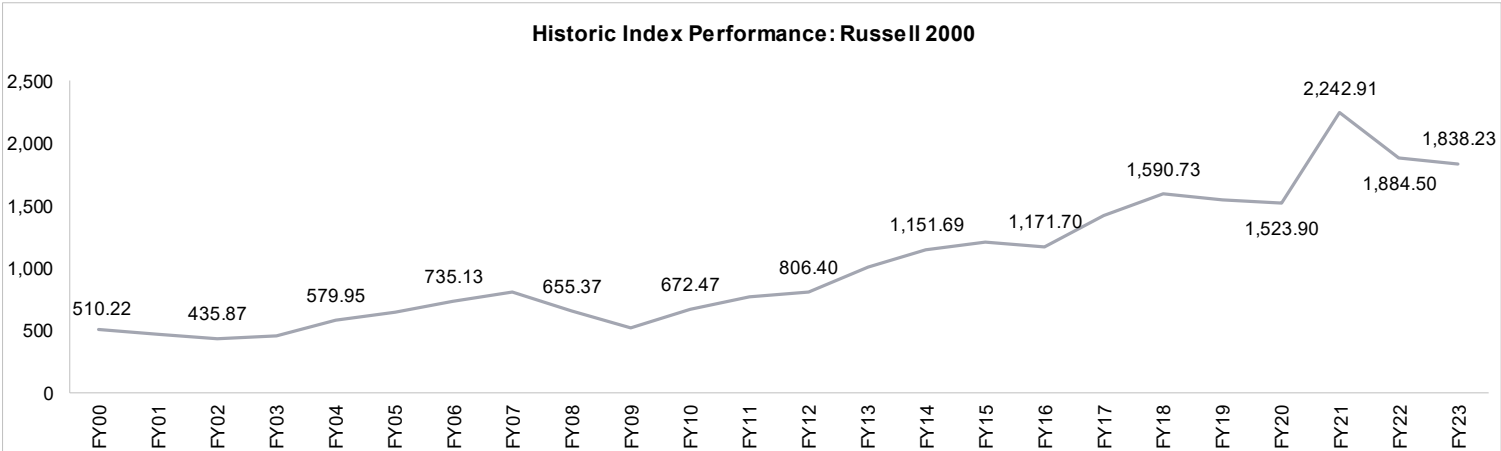
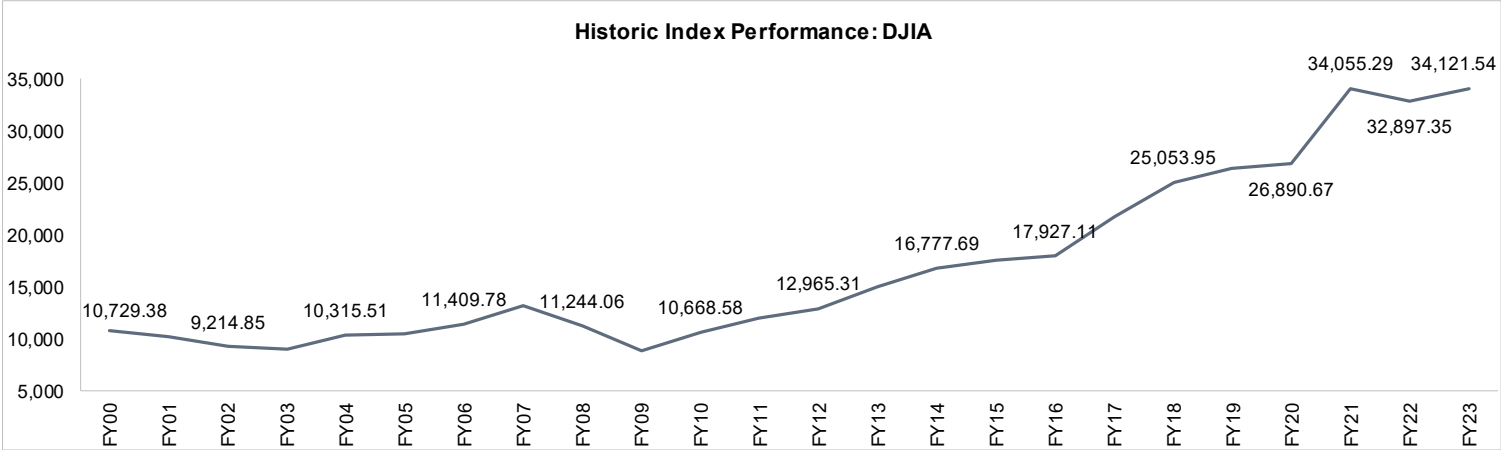


Source: World Federation of Exchanges, SIFMA estimates

Market Performance

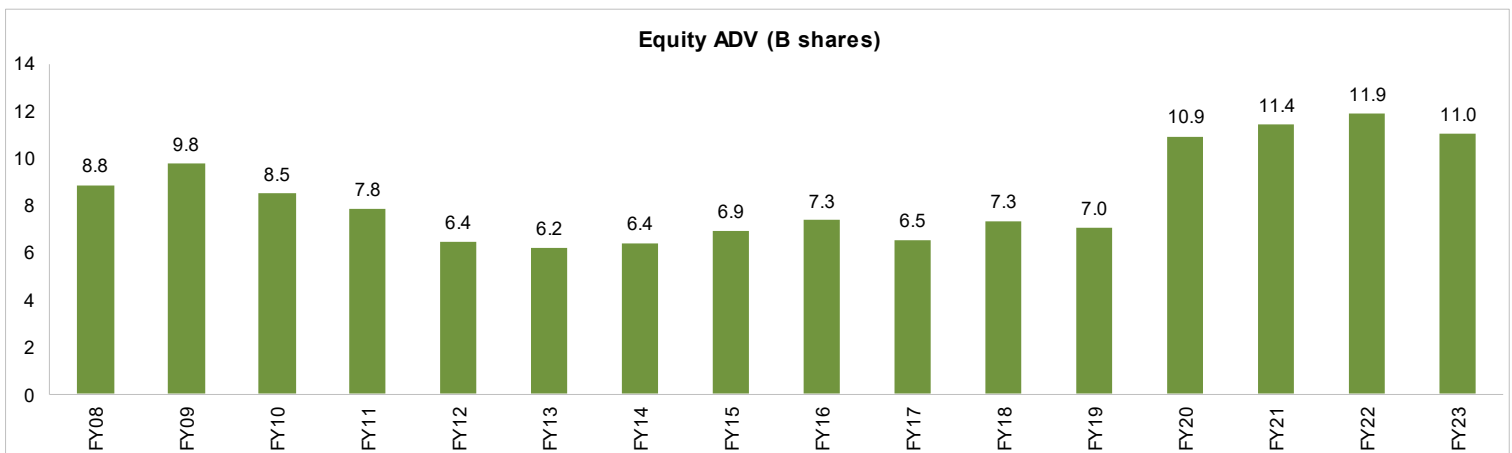
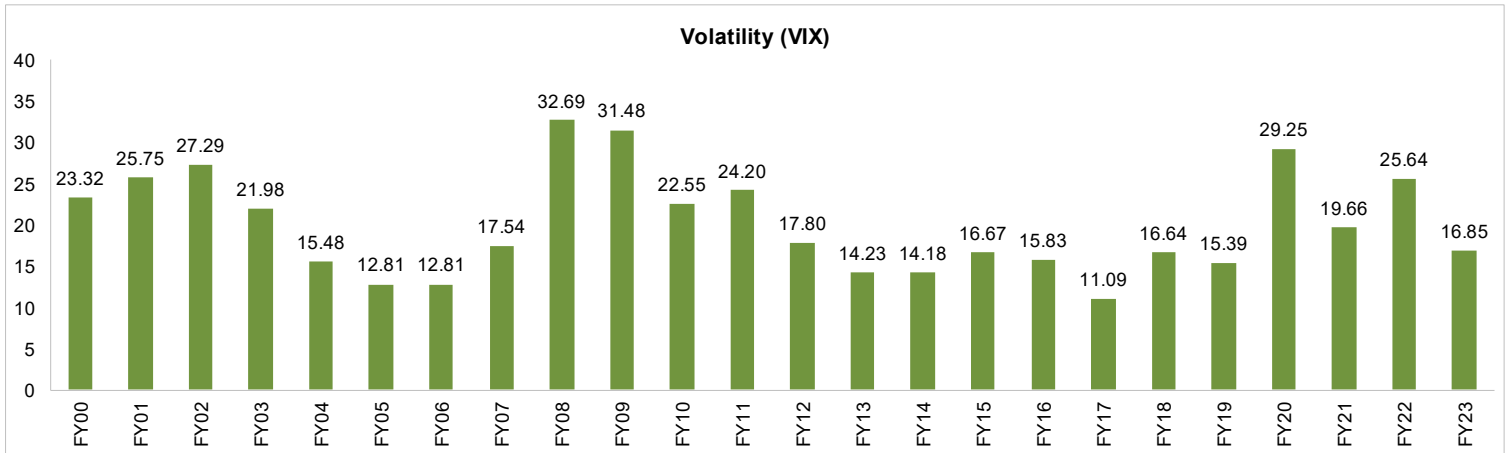


Source: Bloomberg, SIFMA estimates

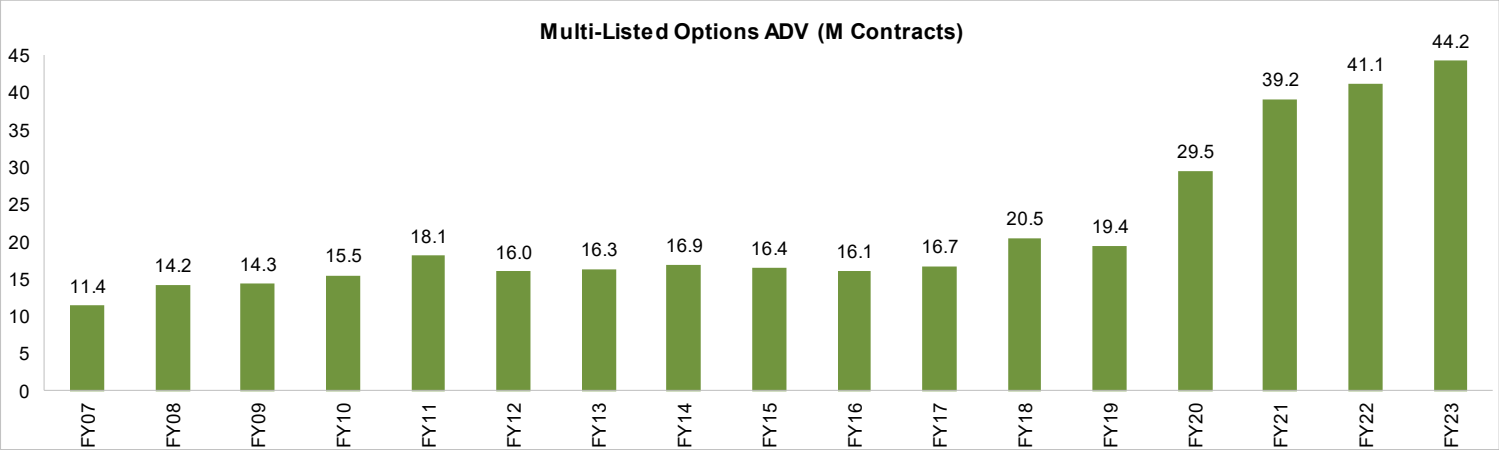
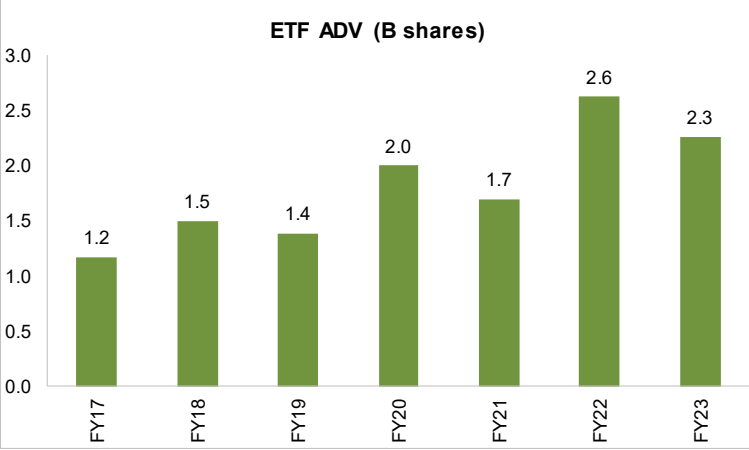


Source: Bloomberg, SIFMA estimates

Volatility & Volumes



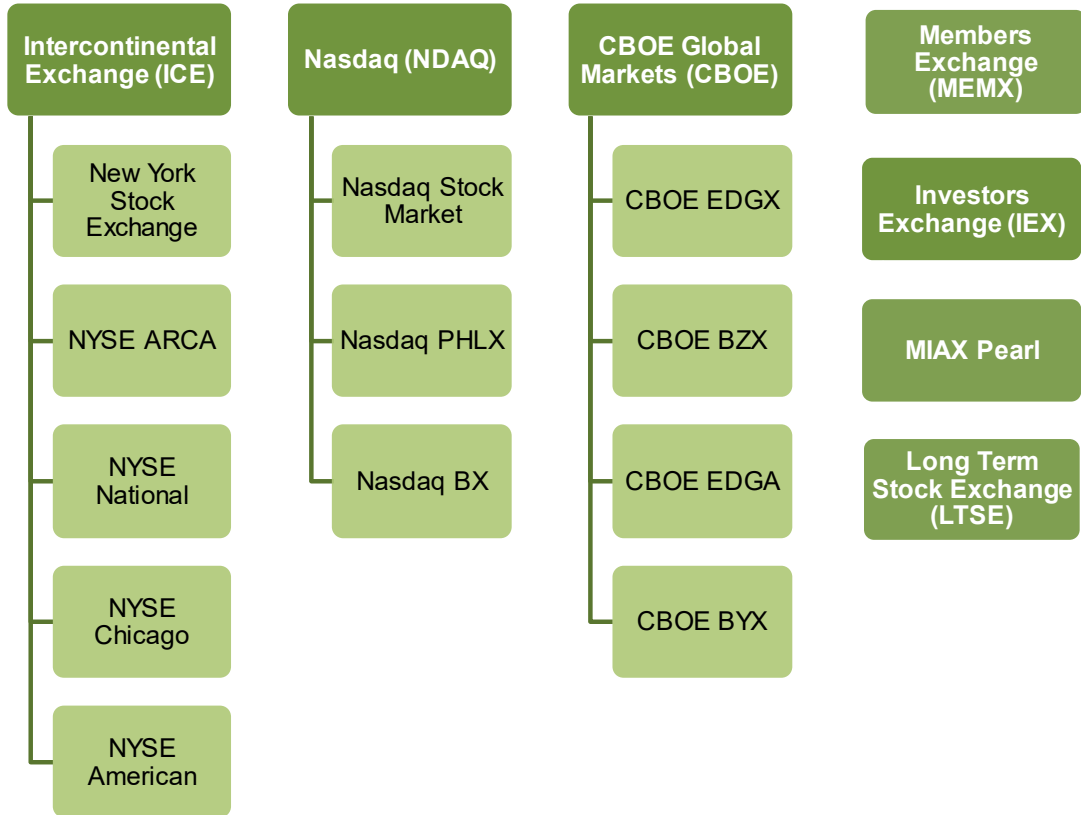
Source: Bloomberg, Cboe Global Markets, The Options Clearing Corporation, SIFMA estimates



Source: Cboe Global Markets, The Options Clearing Corporation, SIFMA estimates

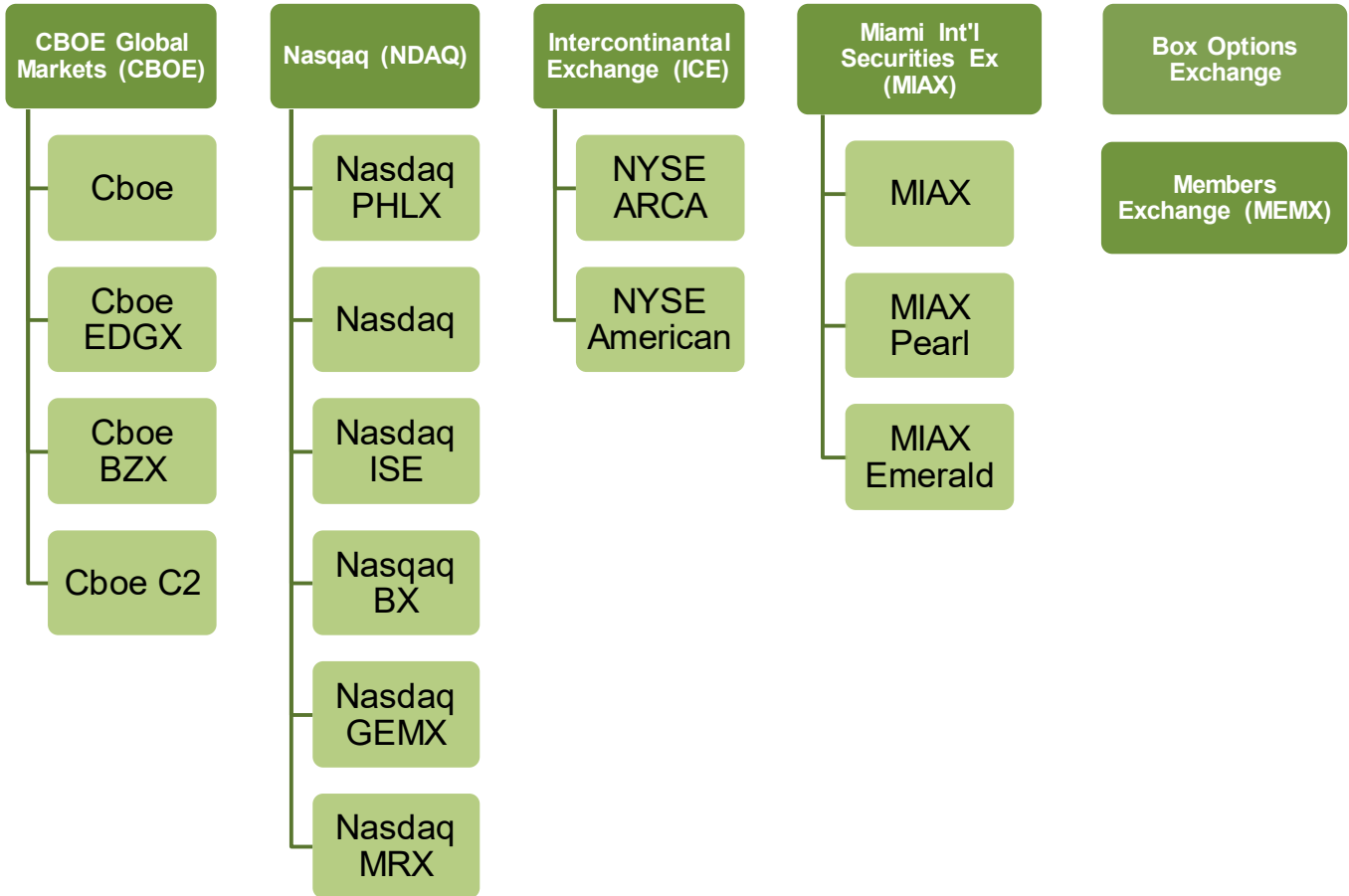
Appendix: Exchange Landscape

US Equities



Note: BOX was approved in January 2022 to open BSTX, not yet in operation

US Multi-Listed Options



Appendix: Definitions & Purpose

- **Capital Formation:** Companies need capital for various business purposes – invest in growth, fund mergers and acquisitions, etc. – and have several ways to generate this capital, including:
 - Secondaries, or follow-on offerings, are the issuance of shares to investors by a public company already listed on an exchange.
 - Preferreds have characteristics of both bonds and common stock and represent a class of stock with different rights from common stock (ex: higher claim to assets in the event of liquidation).
 - Initial public offerings (IPOs) are when a private company raises capital by offering its common stock to the public for the first time in the primary markets.
 - Special purpose acquisition companies (SPAC) have no commercial operations (blank check companies) and are established solely to raise capital through an IPO for the purpose of acquiring unspecified existing companies.

- **Market Performance**
 - Dow Jones Industrial Average (DJIA): A price weighted index that tracks 30 large, publicly owned companies trading on U.S. exchanges. It had historically been a widely watched benchmark index for U.S. blue-chip stocks.
 - S&P 500: A market capitalization weighted index of the 500+ largest U.S. publicly traded companies. The index is regarded as the best gauge of large-cap U.S. equities.
 - Nasdaq Composite (Nasdaq): A market capitalization weighted index made up of over 3,000 equities listed on the Nasdaq stock exchange. Its composition is over 50% technology (this percentage has come down over the years), followed by consumer discretionary and health care.
 - Russell 2000: A market capitalization weighted index representing 10% (the bottom two-thirds aggregate market cap) of the Russell 3000 index, a larger index of 3,000 publicly traded companies that represents 97% of the investable U.S. stock market. The index is regarded as a gauge of small cap, U.S. centric companies.

- **Volatility**
 - CBOE Volatility Index (VIX): A real-time market index that represents the market's expectation of 30-day forward looking volatility, as derived from the price inputs of S&P 500 index options. It measures market risk and investor sentiment (fear, stress) and is often called the fear index.

- **Volumes**

- The U.S. equity markets are the largest and among the deepest, most liquid and most efficient in the world. Investors enjoy narrow spreads, low transaction costs and fast execution speeds, with plenty of opportunity for price improvement, especially for retail investors.
- Exchange-traded funds (ETFs), or pooled investment vehicles holding an underlying basket of securities (equities, bonds, commodities, currencies), provide investors a multitude of choices to meet different investment objectives.
- Options, or a contract to buy or sell an underlying security (stocks, ETFs) at a specified price on or before a given date, are frequently used as risk management tools by investors to hedge positions and limit portfolio losses. They also provide flexibility, enabling an investor to tailor their portfolio to investment objectives and market environment.

Appendix: Terms to Know

ADV	Average Daily Trading Volume	Y/Y	Year-over-Year
Algo	Algorithm (algorithmic trading)	Q/Q	Quarter-over-Quarter
AP	Authorized Participant	YTD	Year-to-Date
AT	Automated Trading	BPS	Basis Points
ATS	Alternative Trading System	PPS	Percentage Points
AUM	Assets Under Management	CAGR	Compound Annual Growth Rate
Best Ex	Best Execution		
CEF	Closed-End Fund	CFTC	Commodity Futures Trading Commission
CLOB	Central Limit Order Book	FINRA	Financial Industry Regulatory Authority
D2C	Dealer-to-Client	SEC	Securities and Exchange Commission
D2D	Dealer-to-Dealer	SRO	Self-Regulatory Organization
Dark Pool	Private trading venues	NMS	National Market System
ECN	Electronic Communication Network	Reg NMS	Regulation National Market System
EMS	Equity Market Structure	SIP	Security Information Processor
ETF	Exchange-Traded Fund		
ETP	Exchange-Traded Product		
HFT	High-Frequency Trading		
IDB	Inter-Dealer Broker		
IIV	Intraday Indicative Value		
IOI	Indication of Interest		
IPO	Initial Public Offering		
MF	Mutual Fund		
MM	Market Maker		
NAV	Net Asset Value		
OEF	Open-End Fund		
OTC	Over-the-Counter		
PCF	Portfolio Composition File		
PFOF	Payment For Order Flow		
SI	Systematic Internaliser		
Tick Size	Minimum price movement		
UIT	Unit Investment Trust		

Bid	An offer made to buy a security
Ask, Offer	The price a seller is willing to accept for a security
Spread	The difference between the bid and ask price prices for a security, an indicator of supply (ask) and demand (bid)
NBBO	National Best Bid and Offer
Locked Market	A market is locked if the bid price equals the ask price
Crossed Market	A bid is entered higher than the offer or an offer is entered lower than the bid
Opening Cross	To determine the opening price of a stock, accumulating all buy and sell interest a few minutes before the market open
Closing Cross	To determine the closing price of a stock, accumulating all buy and sell interest a few minutes before the market close

Order Types

AON	All or none; an order to buy or sell a stock that must be executed in its entirety, or not executed at all
Block	Trades with at least 10,000 shares in the order
Day	Order is good only for that trading day, else cancelled
FOK	Fill or kill; must be filled immediately and in its entirety or not at all
Limit	An order to buy or sell a security at a specific price or better
Market	An order to buy or sell a security immediately; guarantees execution but not the execution price
Stop	(or stop-loss) An order to buy or sell a stock once the price of the stock reaches the specified price, known as the stop price

Call	The right to buy the underlying security, on or before expiration
Put	The right to sell the underlying security, on or before expiration
Holder	The buyer of the contract
Writer	The seller of the contract
American	Option may be exercised on any trading day on or before expiration
European	Option may only be exercised on expiration
Exercise	To put into effect the right specified in a contract
Underlying	The instrument on which the options contract is based; the asset/security being bought or sold upon exercise notification
Expiration	The set date at which the options contract ends, or ceases to exist, or the last day it can be traded
Stock Price	The price at which the underlying stock is trading, fluctuates continuously
Strike Price	The set price at which the options contract is exercised, or acted upon
Premium	The price the option contract trades at, or the purchase price, which fluctuates constantly
Time Decay	The time value portion of an option's premium decreases as time passes; the longer the option's life, the greater the probability the option will move in the money
Intrinsic Value	The in-the-money portion of an option's premium
Time Value	(Extrinsic value) The option premium (price) of the option minus intrinsic value; assigned by external factors (passage of time, volatility, interest rates, dividends, etc.)
In-the-Money	For a call option, when the stock price is greater than the strike price; reversed for put options
At-the Money	Stock price is identical to the strike price; the option has no intrinsic value
Out-of-the-Money	For a call option, when the stock price is less than the strike price; reversed for put options

Investors

Institutional	Organization, fewer protective regulations as assumed to be more knowledgeable and better able to protect themselves*
Retail	Individual, a non-professional investor; either advised or self directed

*Types of institutional investors: asset managers, endowment funds, mutual funds, hedge funds, pension funds, etc.

Appendix: Terms to Know

IPO	Initial Public Offering; private company raises capital by offering its common stock to the public for the first time in the primary markets
SPAC	Special Purpose Acquisition Company; blank check shell corporation designed to take companies public without going through the traditional IPO process
Bought Deal	underwriter purchases a company's entire IPO issue and resells it to the investing public; underwriter bears the entire risk of selling the stock issue
Best Effort Deal	Underwriter does not necessarily purchase IPO shares and only guarantees the issuer it will make a best effort attempt to sell the shares to investors at the best price possible; issuer can be stuck with unsold shares
Secondary	(Follow-on) Issuance of shares to investors by a public company already listed on an exchange
Direct Listing	(Direct placement, direct public offering) Existing private company shareholders sell their shares directly to the public without underwriters. Often used by startups or smaller companies as a lower cost alternative to a traditional IPO. Risks include, among others, no support/guarantee for the share sale and no stock price stabilization after the share listing.
Underwriting	Guarantee payment in case of damage or financial loss and accept the financial risk for liability arising from such guarantee in a financial transaction or deal
Underwriter	Investment bank administering the public issuance of securities; determines the initial offering price of the security, buys them from the issuer and sells them to investors.
Bookrunner	The main underwriter or lead manager in the deal, responsible for tracking interest in purchasing the IPO in order to help determine demand and price (can have a joint bookrunner)
Lead Left Bookrunner	Investment bank chosen by the issuer to lead the deal (identified on the offering document cover as the upper left hand bank listed)
Syndicate	Investment banks underwriting and selling all or part of an IPO
Arranger	The lead bank in the syndicate for a debt issuance deal
Pitch	Sales presentation by an investment bank to the issuer, marketing the firm's services and products to win the mandate
Mandate	The issuing company selects the investment banks to underwrite its offering
Engagement Letter	Agreement between the issuer and underwriters clarifying: terms, fees, responsibilities, expense reimbursement, confidentiality, indemnity, etc.
Letter of Intent	Investment banks' commitment to the issuer to underwrite the IPO
Underwriting Agreement	Issued after the securities are priced, underwriters become contractually bound to purchase the issue from the issuer at a specific price
Registration Statement	Split into the prospectus and private filings, or information for the SEC to review but not distributed to the public, it provides investors adequate information to perform their own due diligence prior to investing
The Prospectus	Public document issued to all investors listing: financial statements, management backgrounds, insider holdings, ongoing legal issues, IPO information and the ticker to be used once listed
Red Herring Document	An initial prospectus with company details, but not inclusive of the effective date of offering price
Roadshow	Investment bankers take issuing companies to meet institutional investors to interest them in buying the security they are bringing to market.
Non-Deal Roadshow	Research analysts and sales personnel take public companies to meet institutional investors to interest them in buying a stock or update existing investors on the status of the business and current trends.
Pricing	Underwriters and the issuer will determine the offer price, the price the shares will be sold to the public and the number of shares to be sold, based on demand gauged during the road show and market factors
Stabilization	Occurs for a short period of time after the IPO if order imbalances exist, i.e. the buy and sell orders do not match; underwriters will purchase shares at the offering price or below to move the stock price and rectify the imbalance
Quiet Period	(Cooling off period) The SEC mandates a quiet period on research recommendations, lasting 10 days (formerly 25 days) after the IPO
Reg S-K	Regulation which prescribes reporting requirements for SEC filings for public companies
Reg S-X	Regulation which lays out the specific form and content of financial reports, specifically the financial statements of public companies
Form S-1	Registration statement for U.S. companies (described above)
Form F-1	Registration statement for foreign issuers of certain securities, for which no other specialized form exists or is authorized
Form 10-Q	Quarterly report on the financial condition and state of the business (discussion of risks, legal proceedings, etc.), mandated by the SEC
Form 10-K	More detailed annual version of the 10Q, mandated by the SEC
Form 8-K	Current report to announce major events shareholders should know about (changes to business & operations, financial statements, etc.)
Greenshoe	Allows underwriters to sell more shares than originally planned by the company and then buy them back at the original IPO price if the demand for the deal is higher than expected, i.e. an over-allotment option
Tombstone	An announcement that securities are available for sale. (Also a plaque awarded to celebrate the completion of a transaction or deal)
EGC	Emerging Growth Company

Appendix: SIFMA Research Reports

SIFMA Research: www.sifma.org/research

- **Quarterly Reports**

- Equity and related: capital formation (IPOs, other issuance statistics); market performance (index prices); volatility (VIX); cash equities, ETFs, and multi-listed options volumes; exchange market shares and landscapes; equity market cap and number of listed companies
- Fixed Income – Issuance & Trading: issuance and trading metrics for U.S. Treasuries, mortgage-backed securities, corporate bonds, municipal securities, federal agency securities, asset-backed securities, and secured overnight financing rate (SOFR), as well as statistics on fixed income ESG issuance for green, social, and sustainability bonds
- Fixed Income – Outstanding: outstanding balances for U.S. Treasuries, mortgage-backed securities, corporate bonds, municipal securities, federal agency securities, asset-backed securities, money markets, repurchase agreements, and secured overnight financing rate (SOFR)
- Financial Institutions: financial (income statement and balance sheet metrics) and regulatory (ratios such as capital levels) data for CCAR firms, essentially a proxy for the financial services industry

- **Capital Markets Fact Book:** a comprehensive look at capital markets, including

- Global equity and fixed income markets (outstanding, issuance, volumes); investment banking landscape; international securities transactions
- U.S. equity, fixed income, derivatives and private placement markets (outstanding, issuance, volumes, index prices); investment banking landscape; mutual fund and ETF statistics
- U.S. investor participation showing household liquid financial asset breakout; household equity ownership; and holders of equities
- U.S. savings & investment metrics on retirement asset breakout and mix across asset classes; savings rates and other economic indicators; and federal balance sheet overview
- U.S. securities industry statistics on number of broker-dealers, registered representatives, registered investment advisors, and branch offices; industry financial overview; and state maps showing number firms/ reps

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