



RESEARCH

Statistics

Quarterly Report: US Equity & Related, 4Q24

Primary Markets: Equity Capital Formation

Other Investment Banking: M&A and Private Equity

Secondary Markets: Market Performance, Volatility, & Volumes

Published: January 2025

Key Takeaways for 4Q24

For the quarter: Total equity capital formation was \$65.2B (+14.0% Q/Q, +107.9% Y/Y), the highest quarterly total since 4Q21. IPO deal value was \$5.5B, -35.5% Q/Q but +113.6% Y/Y; it remains well below the three-year pre COVID quarterly average of \$11.5B, -52.0%. Markets continued to climb – all four indexes were up for the quarter – with the S&P 500 index averaging 5,907.04, +6.6% Q/Q and +32.3% Y/Y. The VIX averaged 17.36, +1.7% Q/Q and +13.5% Y/Y. ADV was up for the quarter and the year for all markets (quarterly averages): equities 13.6B shares, +18.1% Q/Q and +21.6% Y/Y; ETFs 2.7B shares, +14.0% Q/Q and +12.5% Y/Y; options 51.6M contracts (+6.0% Q/Q and +16.3% Y/Y), the highest quarterly volume on record.

For the year: Total equity capital formation was \$221.4B (+59.3% Y/Y). Equity market cap ended the year at \$61.8T (+26.1% Y/Y) and the number of listed companies was 5,455 (-4.4% Y/Y). IPO deal value was \$31.3B (+55.8% Y/Y). The S&P 500 returned 23.3%, marking the first time markets had two years with 20%+ returns since the 1990s. All four indexes were up for the year, with the S&P 500 averaging 5,428.24, +26.7% Y/Y. Despite a few periods of elevation, the VIX was down for the year, averaging 15.55 (-7.7% Y/Y). ADV was up for the year for all markets (annual averages): equities 12.2B shares, +10.2% Y/Y; ETFs 2.4B shares, +5.8% Y/Y; options 48.5M contracts, +7.5% Y/Y.

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Executive Summary

Quarter & Annual Highlights

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

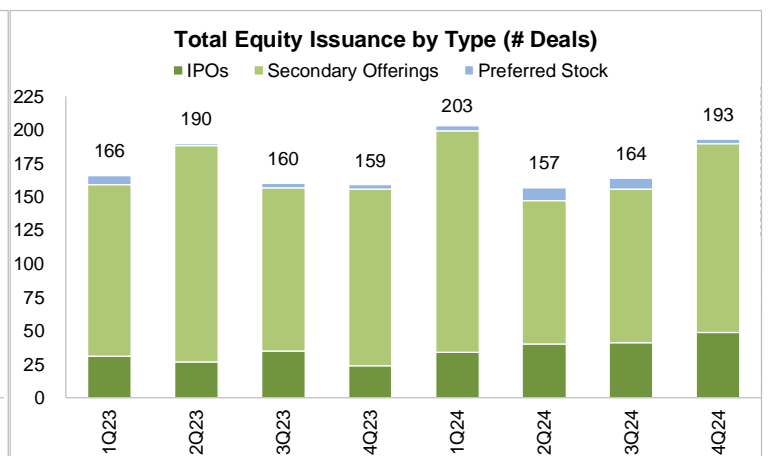
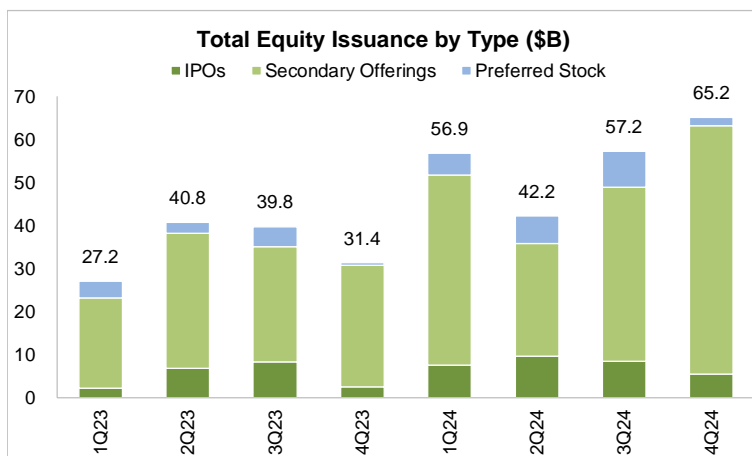
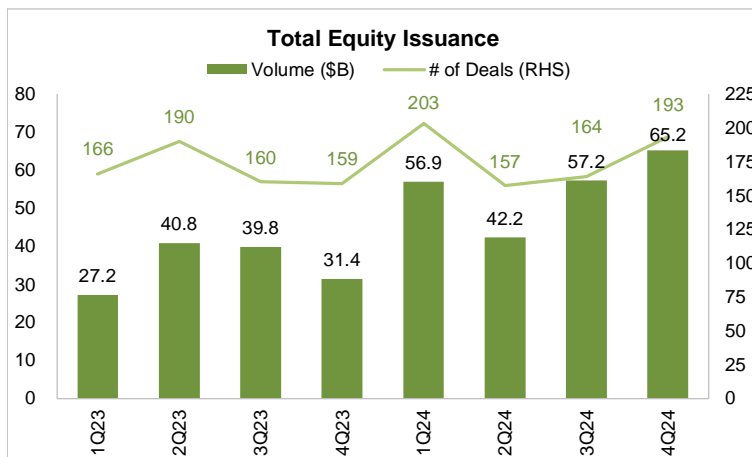
| | 4Q24 | 3Q24 | 4Q23 | Q/Q | Y/Y | FY24 | FY23 | Y/Y |
|---------------------------------------|-----------|-----------|-----------|--------|--------|-----------|-----------|--------|
| Primary Markets (Issuance \$B) | | | | | | | | |
| Total Equity (ex-SPACs) | 65.2 | 57.2 | 31.4 | 14.0% | 107.9% | 221.4 | 139.0 | 59.3% |
| Secondaries | 57.6 | 40.3 | 28.2 | 42.9% | 104.5% | 168.3 | 107.1 | 57.1% |
| Preferreds | 2.0 | 8.3 | 0.6 | -75.5% | 245.8% | 21.8 | 11.8 | 85.1% |
| IPOs | 5.5 | 8.6 | 2.6 | -35.5% | 113.6% | 31.3 | 20.1 | 55.8% |
| SPACs | 3.7 | 3.3 | 1.0 | 11.4% | 267.2% | 9.6 | 3.8 | 148.9% |
| Other Investment Banking (\$B) | | | | | | | | |
| M&A | 333.7 | 320.3 | 527.9 | 4.2% | -36.8% | 1,355.0 | 1,441.3 | -6.0% |
| Private Equity | 185.8 | 257.3 | 172.6 | -27.8% | 7.7% | 838.5 | 703.0 | 19.3% |
| Secondary Markets | | | | | | | | |
| Market Performance (Price) | | | | | | | | |
| S&P 500 | 5,907.04 | 5,543.47 | 4,464.91 | 6.6% | 32.3% | 5,428.24 | 4,283.73 | 26.7% |
| Nasdaq | 18,983.20 | 17,610.61 | 13,910.69 | 7.8% | 36.5% | 17,247.45 | 12,970.28 | 33.0% |
| DJIA | 43,257.38 | 40,602.32 | 34,933.05 | 6.5% | 23.8% | 40,323.13 | 34,121.54 | 18.2% |
| Russell 2000 | 2,299.23 | 2,155.99 | 1,806.70 | 6.6% | 27.3% | 2,128.00 | 1,838.23 | 15.8% |
| Volatility & Volumes | | | | | | | | |
| VIX (Price) | 17.36 | 17.07 | 15.29 | 1.7% | 13.5% | 15.55 | 16.85 | -7.7% |
| Equity ADV (B shares) | 13.6 | 11.5 | 11.2 | 18.1% | 21.6% | 12.2 | 11.0 | 10.2% |
| ETF ADV (B shares) | 2.7 | 2.3 | 2.4 | 14.0% | 12.5% | 2.4 | 2.3 | 5.8% |
| Options ADV (M contracts) | 51.6 | 48.7 | 44.4 | 6.0% | 16.3% | 48.5 | 44.2 | 9.7% |

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

Equity Capital Formation: Review of Quarterly Issuance

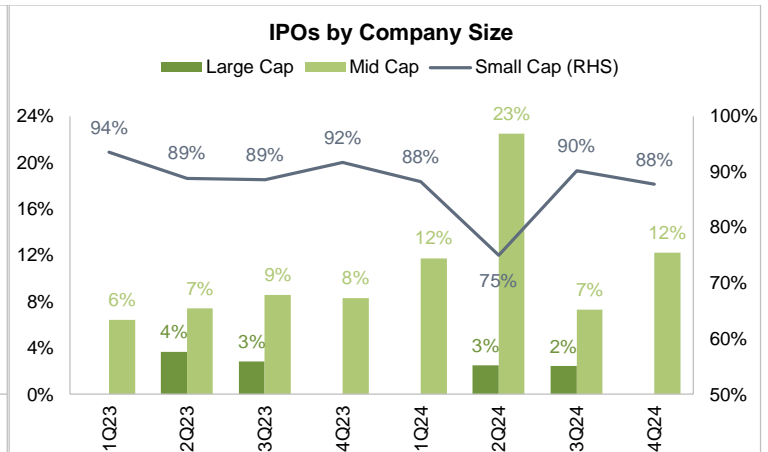
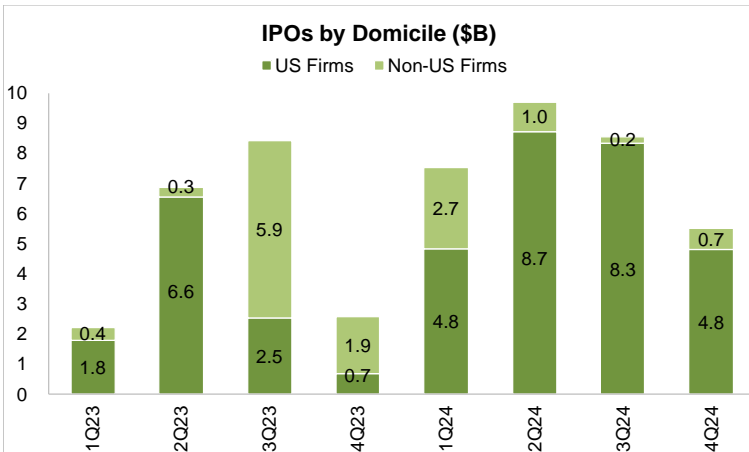
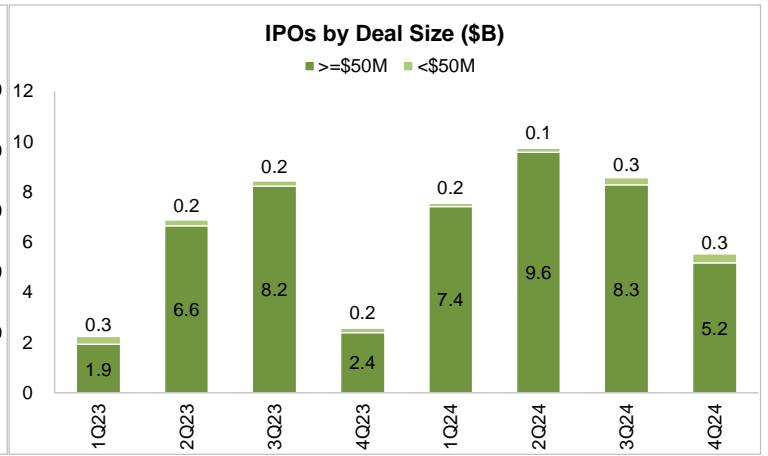
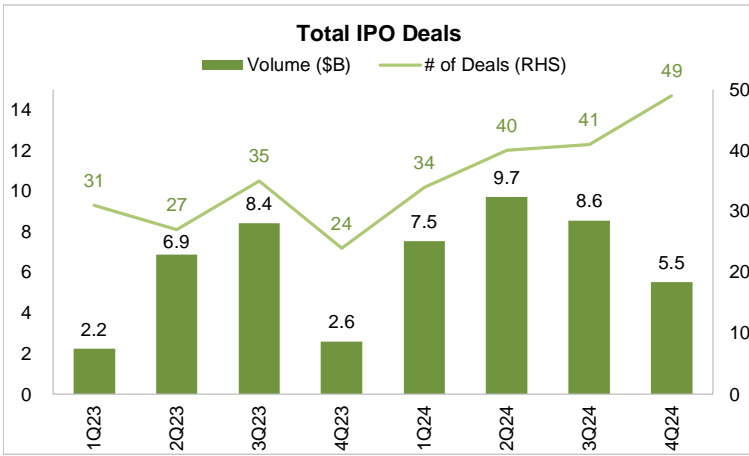
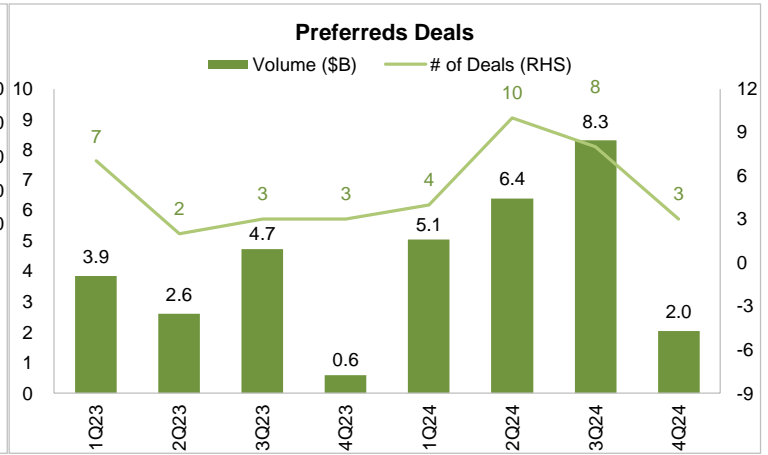
- Total (excluding SPACs): \$65.2B; +14.0% Q/Q, +107.9% Y/Y
- Secondaries: \$57.6B; +42.9% Q/Q, +104.5% Y/Y
- Preferreds: \$2.0B; -75.5% Q/Q, +245.8% Y/Y
- IPOs: \$5.5B; -35.5% Q/Q, +113.6% Y/Y
- SPACs: \$3.7B; +11.4% Q/Q, +267.2% Y/Y



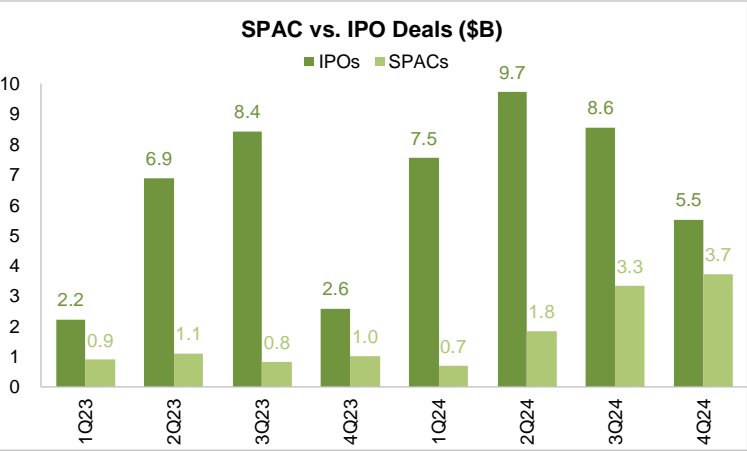
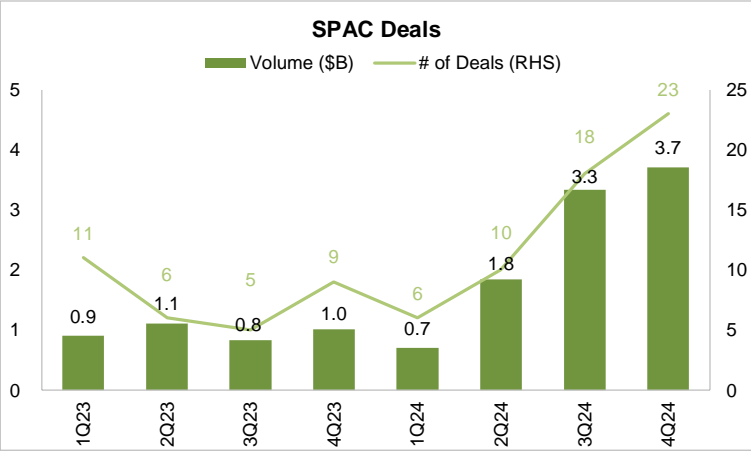
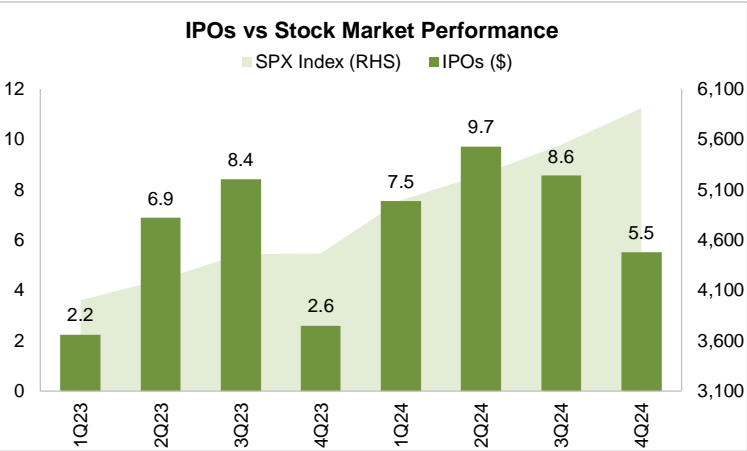
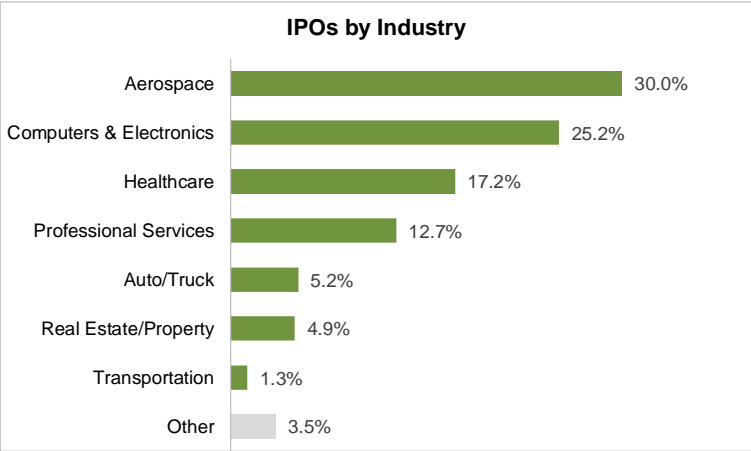
Source: Dealogic, SIFMA estimates

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

Primary Markets: US Equity Capital Formation



Primary Markets: US Equity Capital Formation

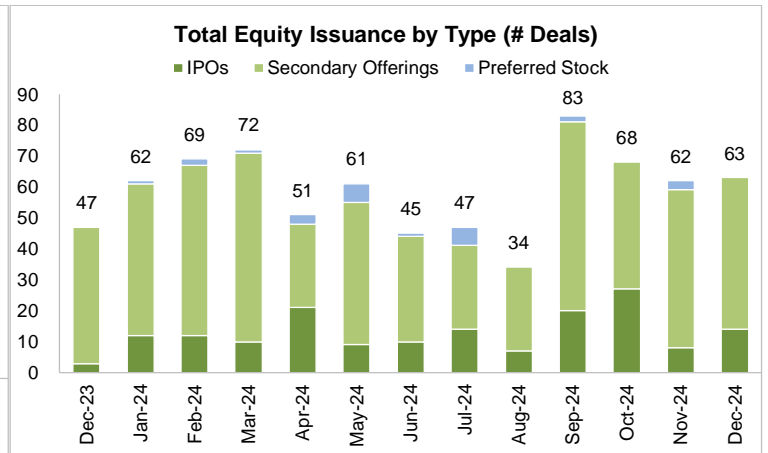
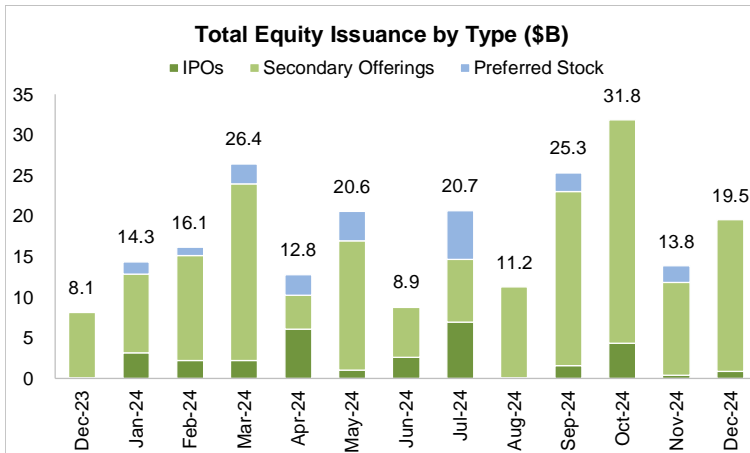
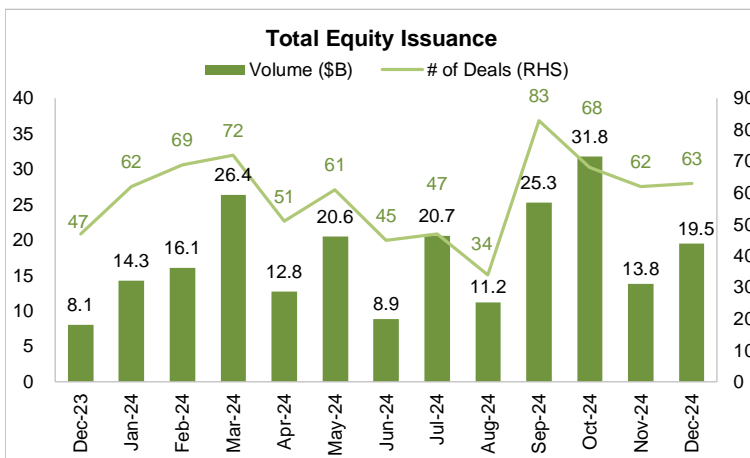


Source: Dealogic, SIFMA estimates

Equity Capital Formation: Monthly Issuance Trends

Last month of the quarter:

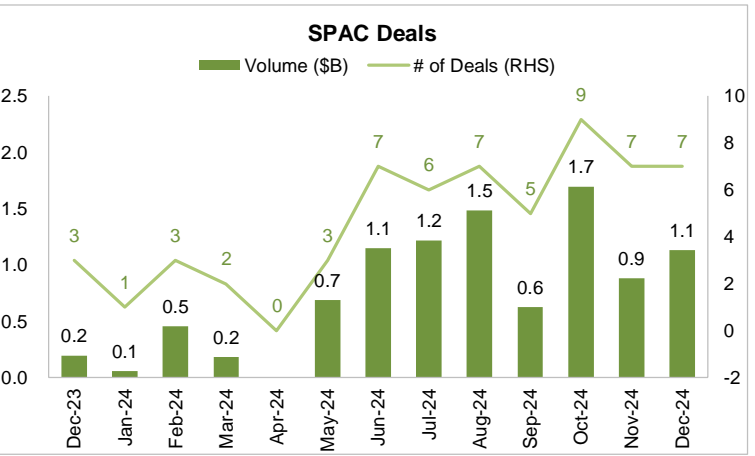
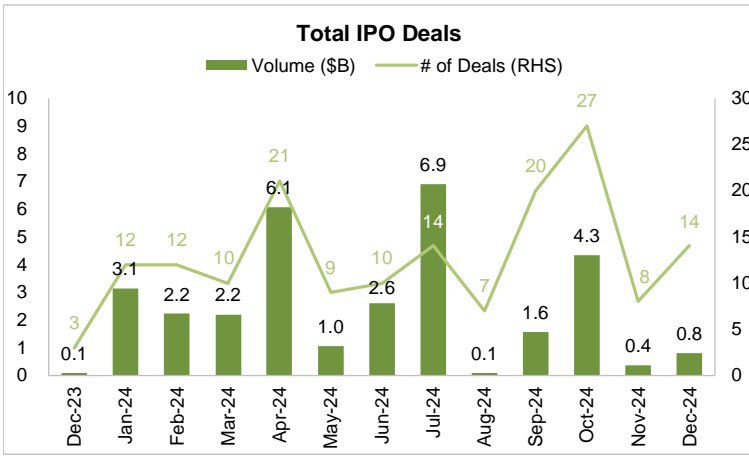
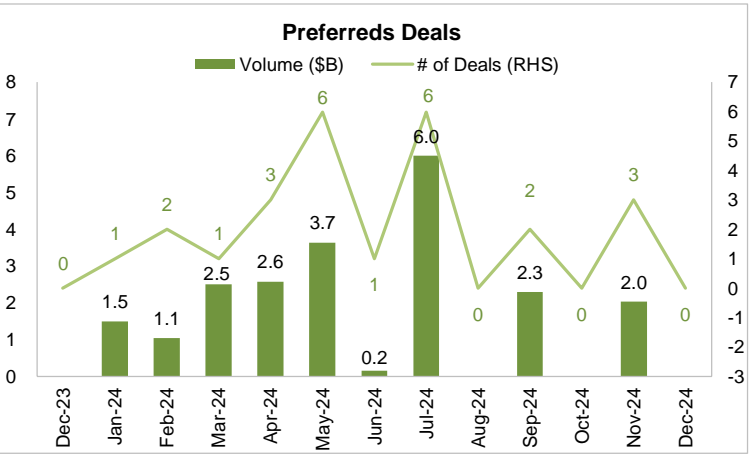
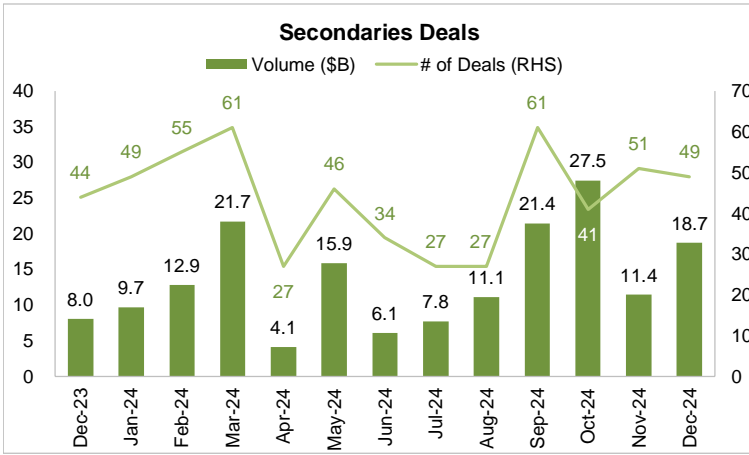
- Total (excluding SPACs): \$19.5B, +41.0% M/M, +140.3% Y/Y
- Secondaries: \$18.7B, +63.4% M/M, +132.7% Y/Y
- Preferreds: \$0.0B in December, \$2.0B in November
- IPOs: \$0.8B, +122.0% M/M, +860.7% Y/Y
- SPACs: \$1.1B, +28.6% M/M, +472.6% Y/Y



Source: Dealogic, SIFMA estimates

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

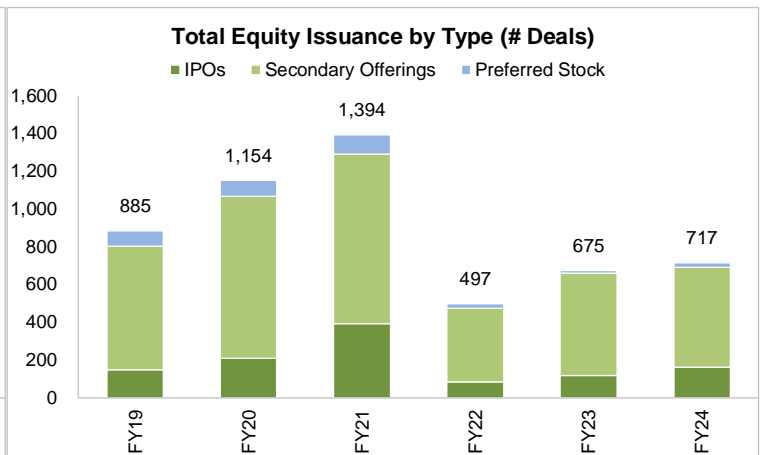
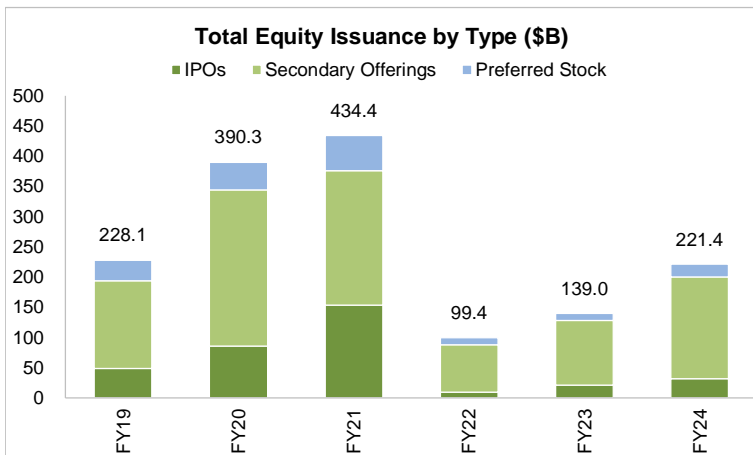
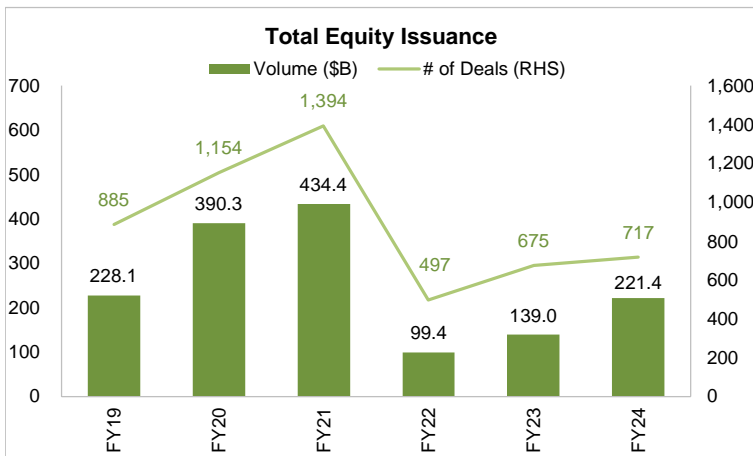
Primary Markets: US Equity Capital Formation



Source: Dealogic, SIFMA estimates

Equity Capital Formation: Annual Issuance Update

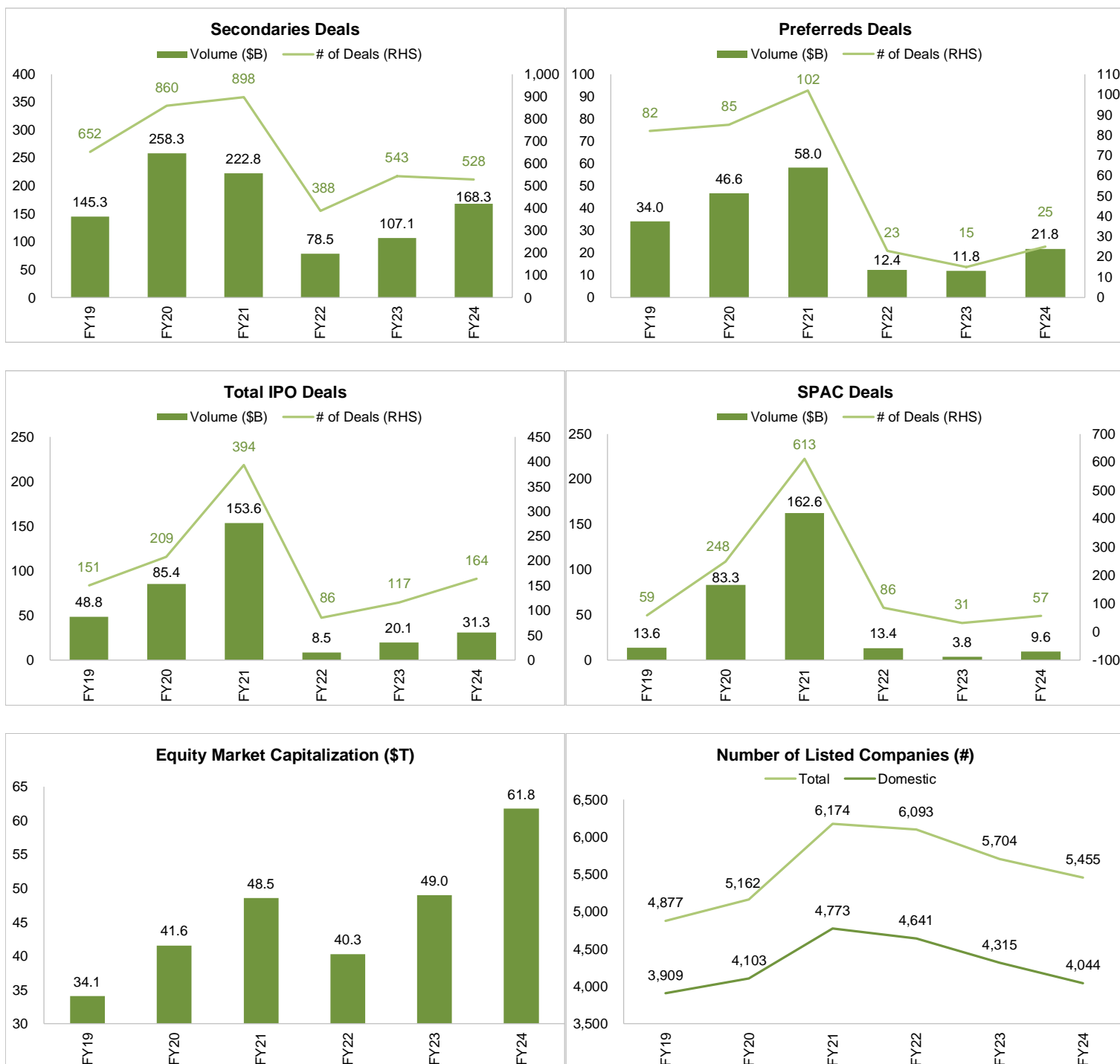
- Total (excluding SPACs): \$221.4B, +59.3% Y/Y
- Secondaries: \$168.3B, +57.1% Y/Y
- Preferreds: \$21.8B, +85.1% Y/Y
- IPOs: \$31.3B, +55.8% Y/Y
- SPACs: \$9.6B, +148.9% Y/Y



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



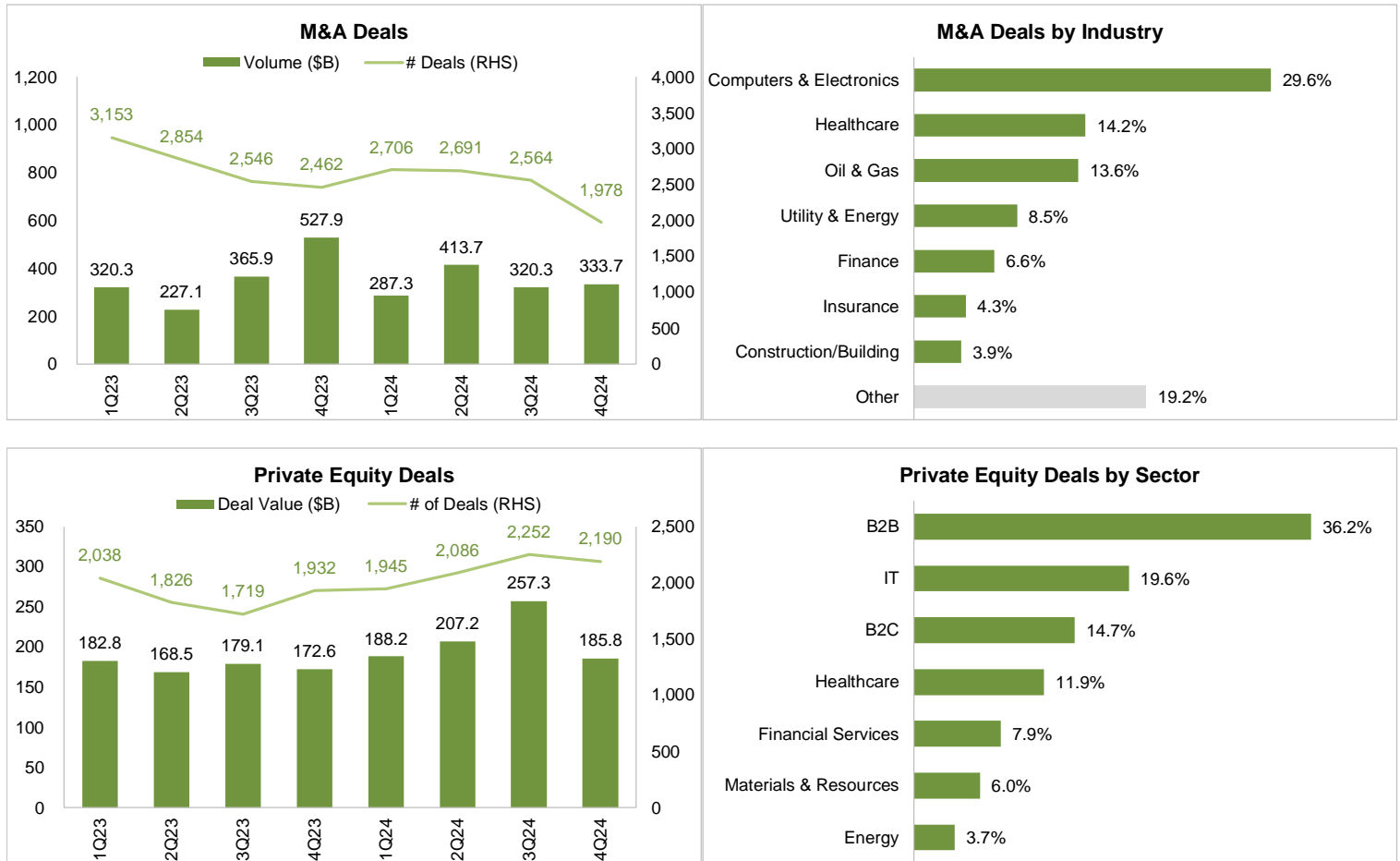
Source: Dealogic, World Federation of Exchanges, SIFMA estimates

Note: FY24 market capitalization and number of listed companies' data as of November 2024.

Other Investment Banking: M&A and Private Equity

Other Investment Banking: Review of Quarterly Deals

- M&A: \$333.7B; +4.2% Q/Q, -36.8% Y/Y
- Private equity: \$185.8B; -27.8% Q/Q, +7.7% Y/Y



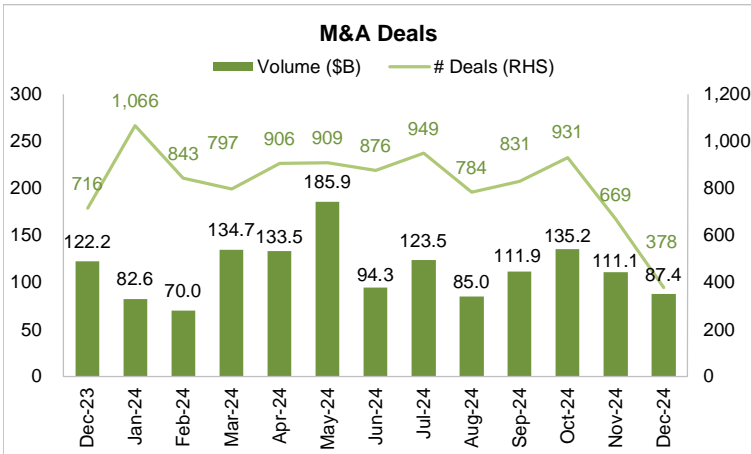
Source: Dealogic, Pitchbook, SIFMA estimates

Note: B2B = business-to-business. IT = information technology. B2C = business-to-consumer.

Other Investment Banking: Monthly Deal Trends

Last month of the quarter:

- M&A: \$87.4B; -21.3% M/M, -28.5% Y/Y

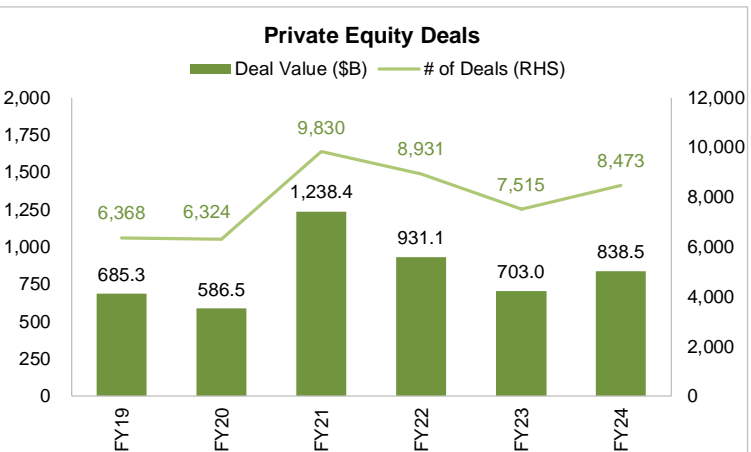
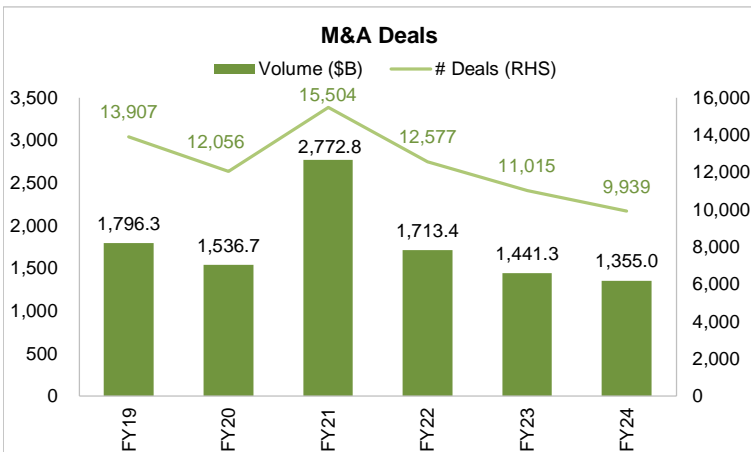


Source: Dealogic, SIFMA estimates

Note: Private equity data not available on monthly basis.

Other Investment Banking: Annual Deal Update

- M&A: \$1,355.0B, -6.0% Y/Y
- Private equity: \$838.5B, +19.3% Y/Y

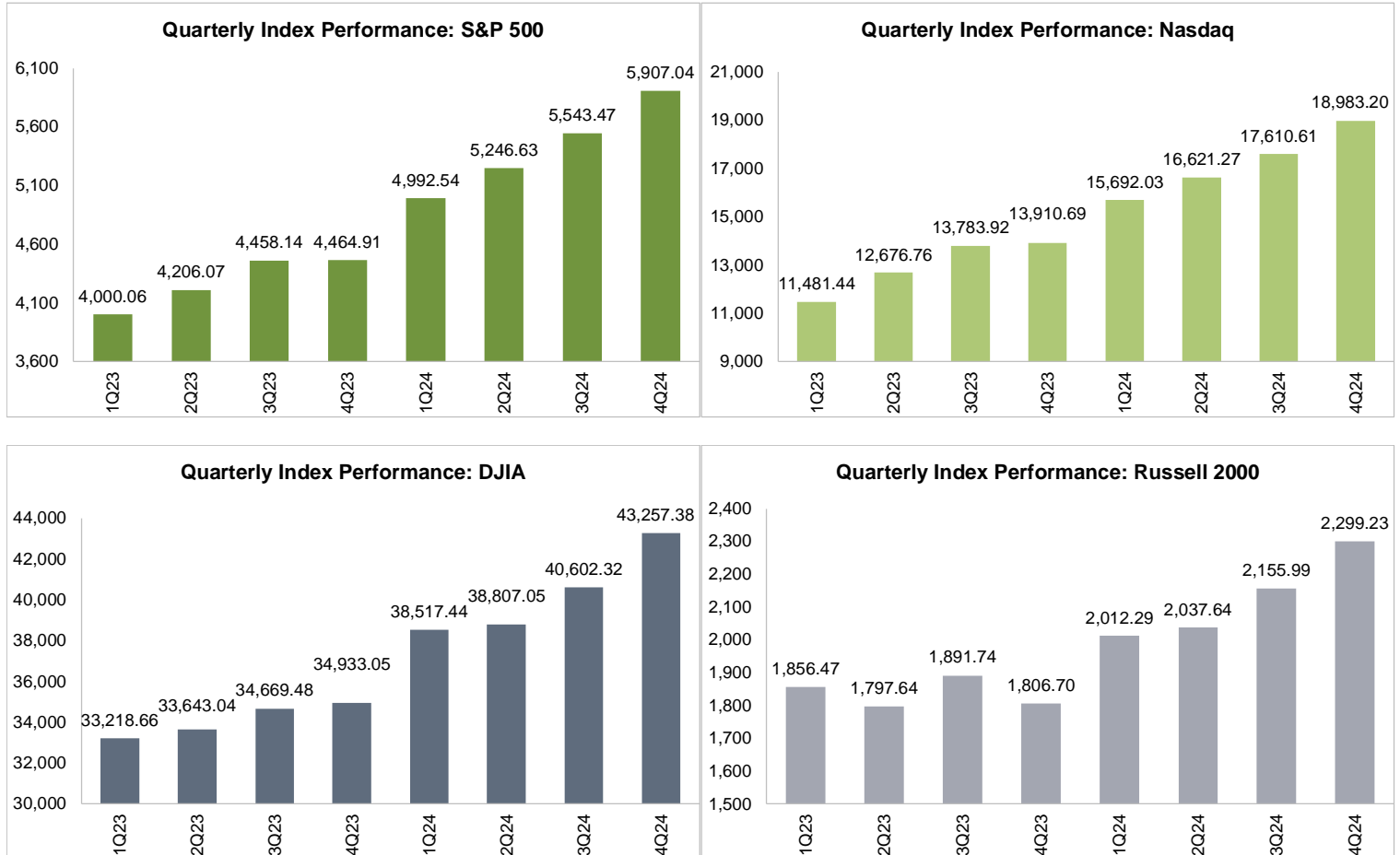


Source: Dealogic, SIFMA estimates

Secondary Markets: US Market Performance, Volatility, and Volumes

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

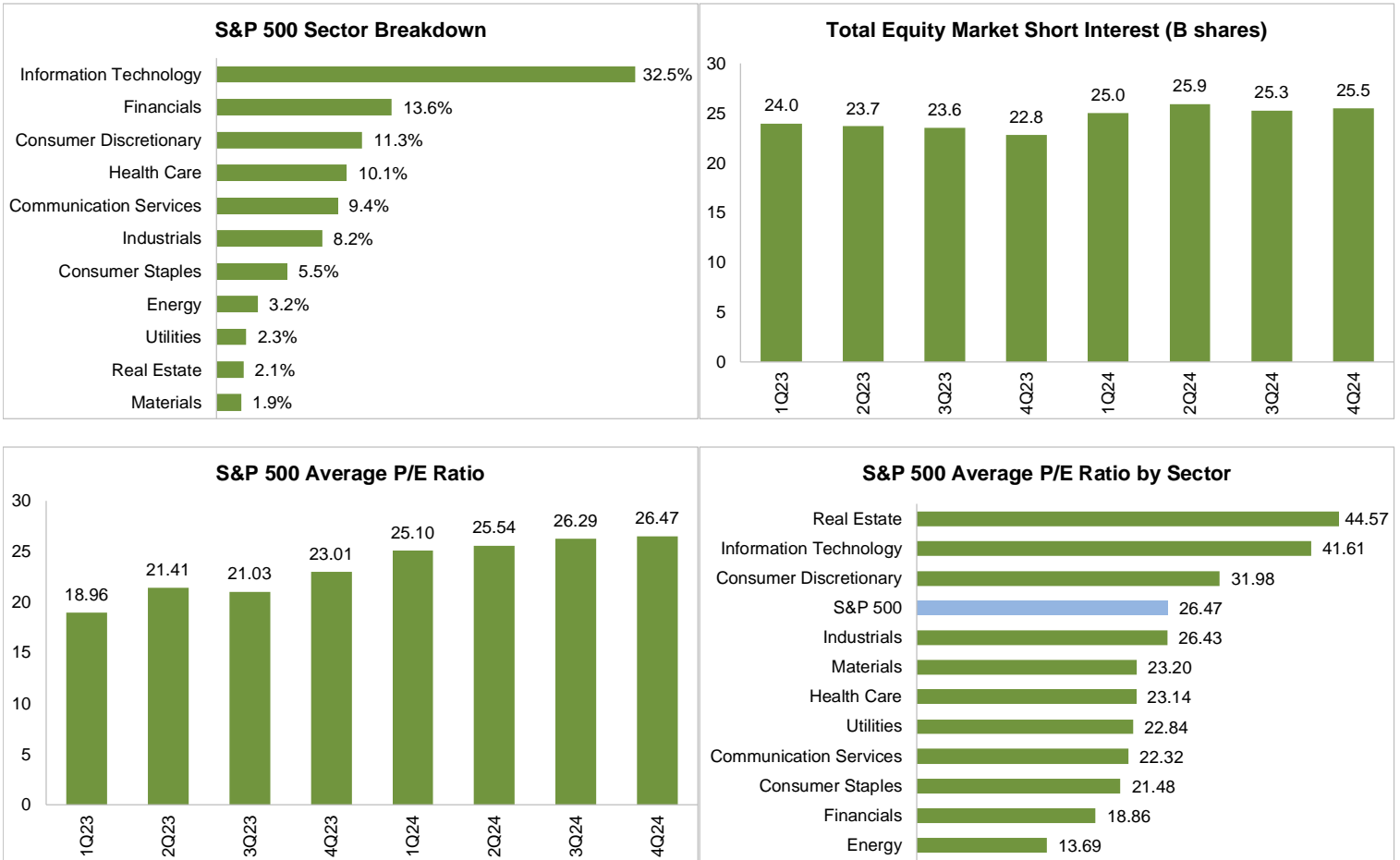
- S&P 500: \$5,907.04; +6.6% Q/Q, +32.3% Y/Y
 - Top sector breakout: technology 32.5%, financials 13.6%, consumer discretionary 11.3%
 - Short interest: 25.5B shares
 - P/E ratio: 26.47x
- Nasdaq: \$18,983.20; +7.8% Q/Q, +36.5% Y/Y
- DJIA: \$43,257.38; +6.5% Q/Q, +23.8% Y/Y
- Russell 2000: \$2,299.23; +6.6% Q/Q, +27.3% Y/Y



Source: Bloomberg, SIFMA estimates

Note: Short interest as of December 13, 2025.

Secondary Markets: US Market Performance, Volatility, and Volumes

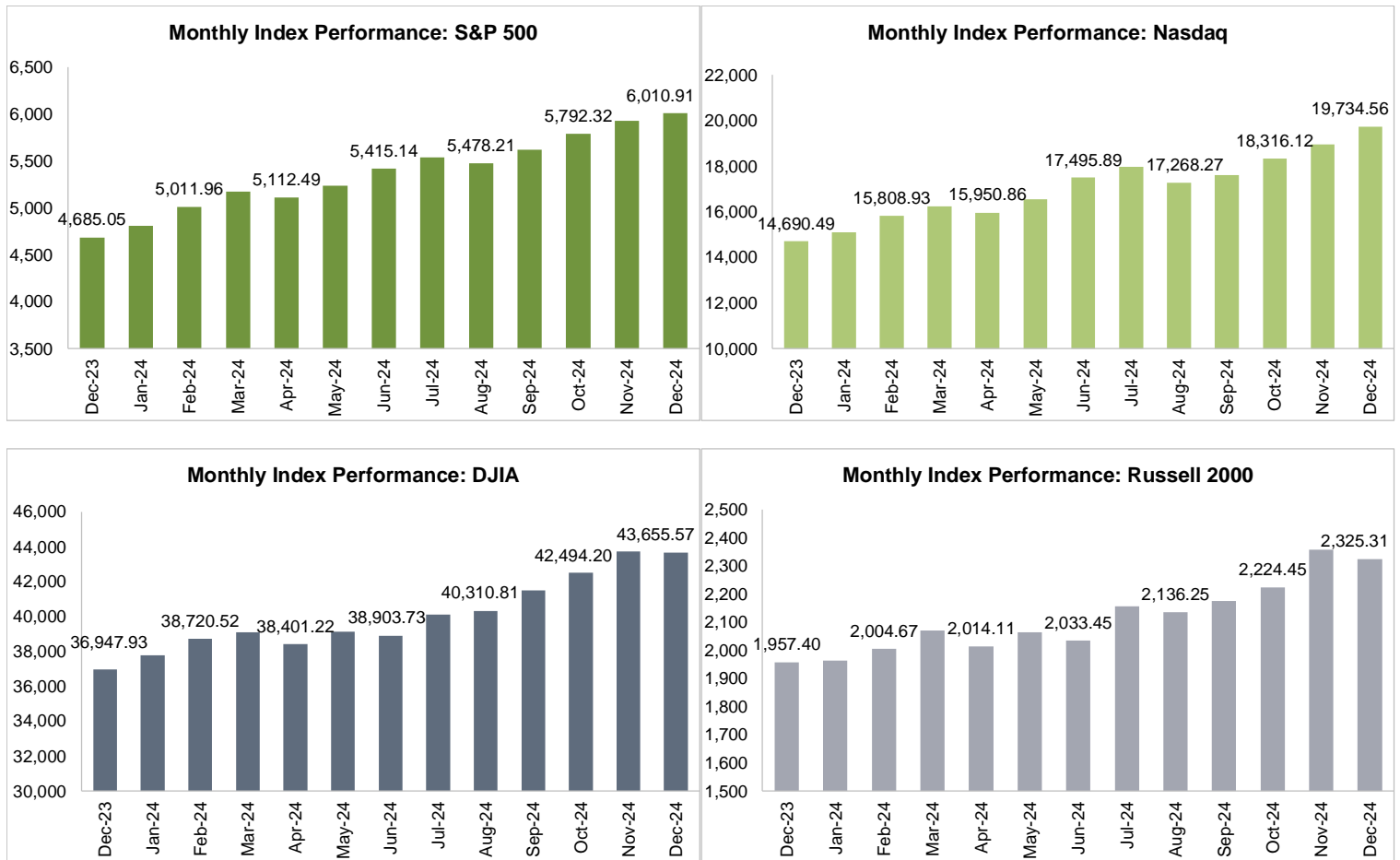


Source: Bloomberg, S&P Global, SIFMA estimates

Equity Market Performance: Monthly Index Price Trends (Averages)

Last month of the quarter:

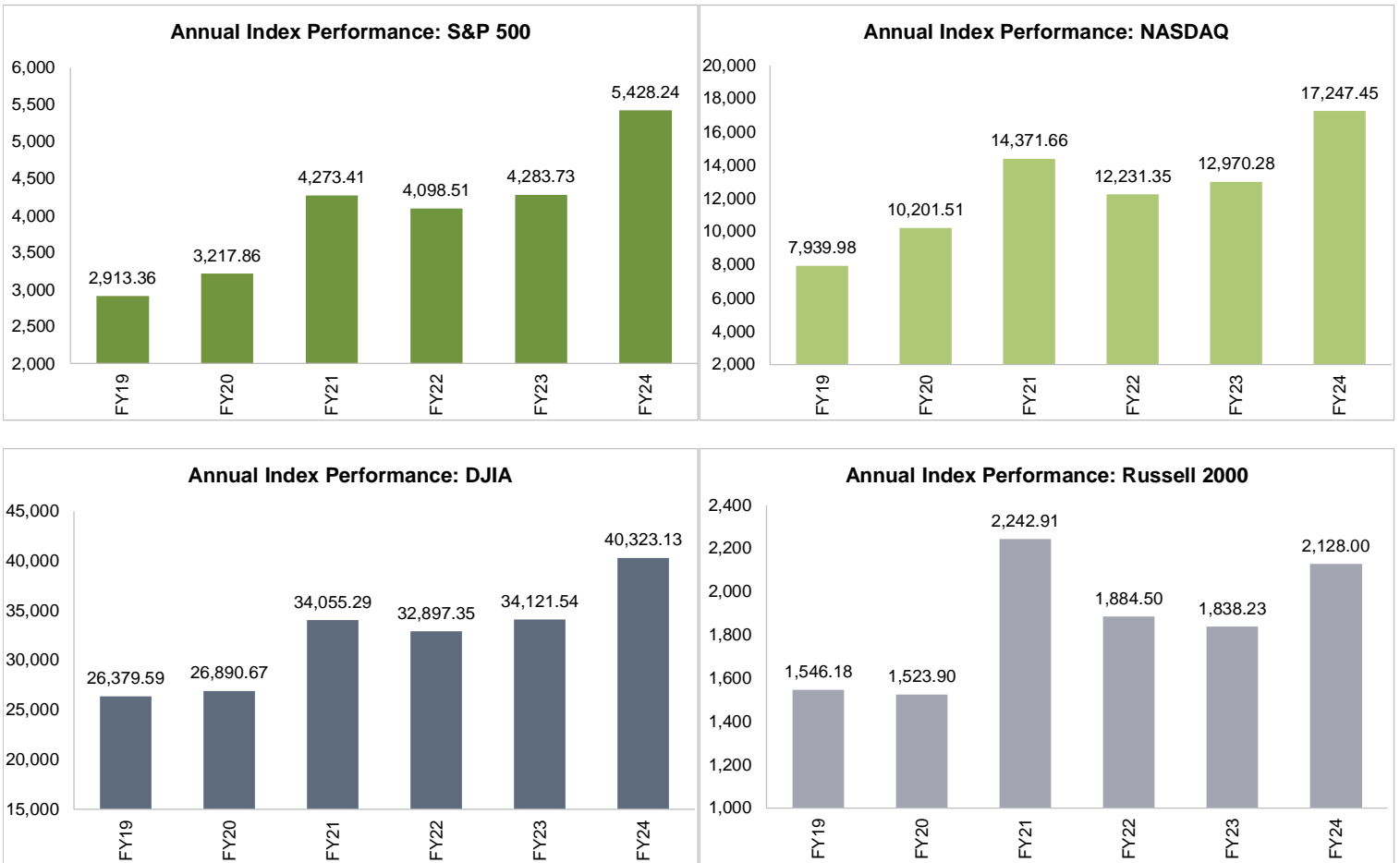
- S&P 500: \$6,010.91; +1.4% M/M, +28.3% Y/Y
- Nasdaq: \$19,734.56, +4.1% M/M, +34.3% Y/Y
- DJIA: \$43,655.57; -0.1% M/M, +18.2% Y/Y
- Russell 2000: \$2,325.31; -1.4% M/M, +18.8% Y/Y



Source: Bloomberg, SIFMA estimates

Equity Market Performance: Annual Index Price Update (Averages)

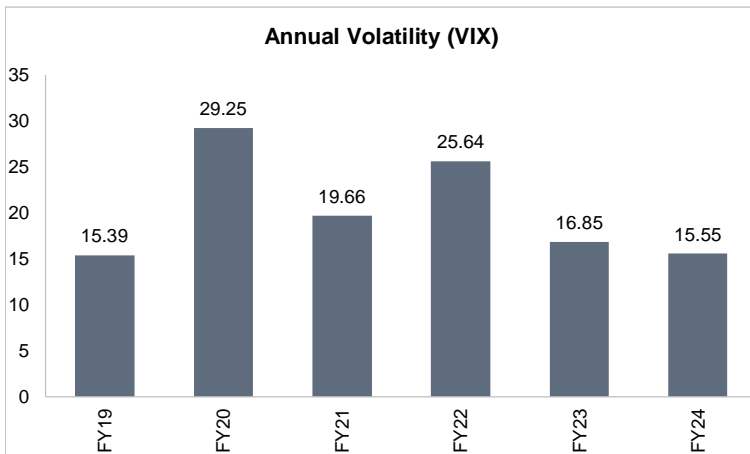
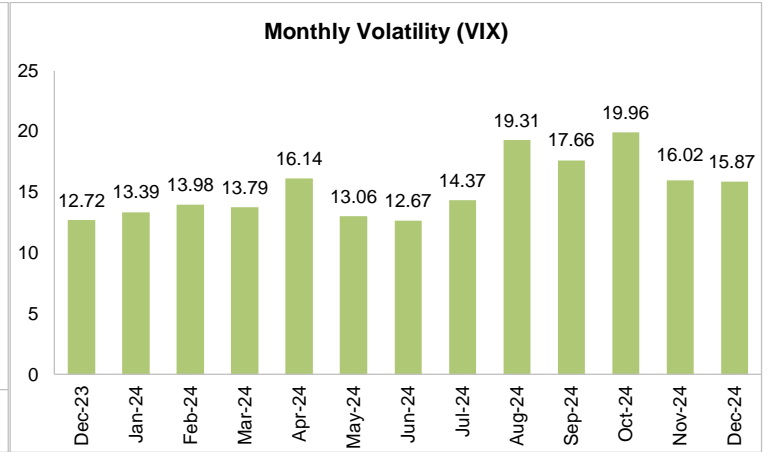
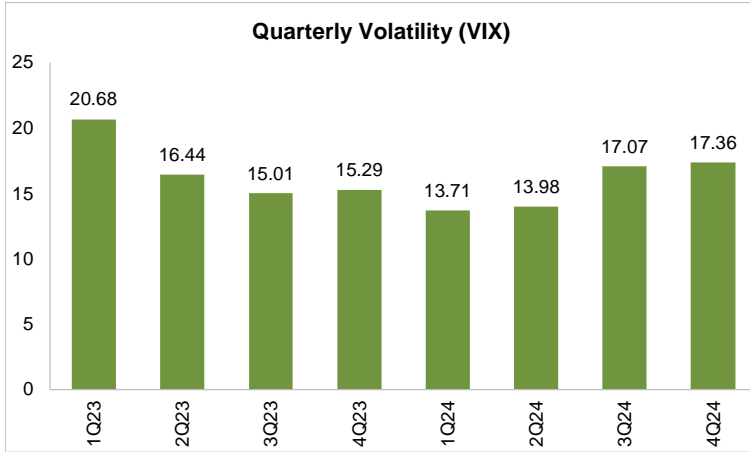
- S&P 500: \$5,428.24, +26.7% Y/Y
- Nasdaq: \$17,247.45, +33.0% Y/Y
- DJIA: \$40,323.13, +18.2% Y/Y
- Russell 2000: \$2,128.00, +15.8% Y/Y



Source: Bloomberg, SIFMA estimates

Volatility Trends: VIX (Averages)

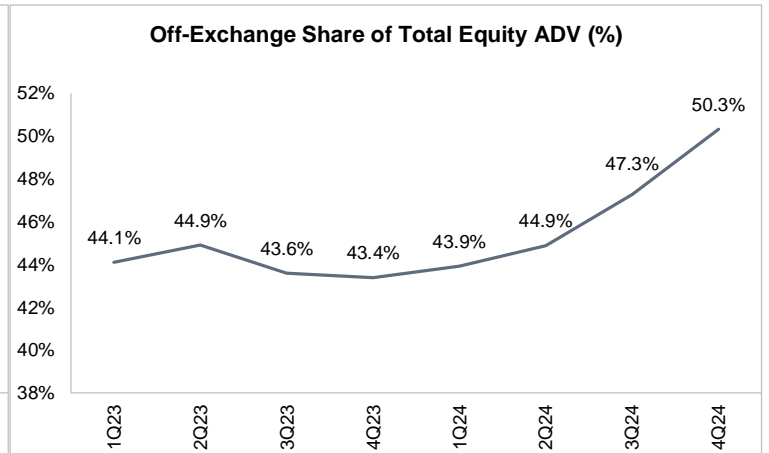
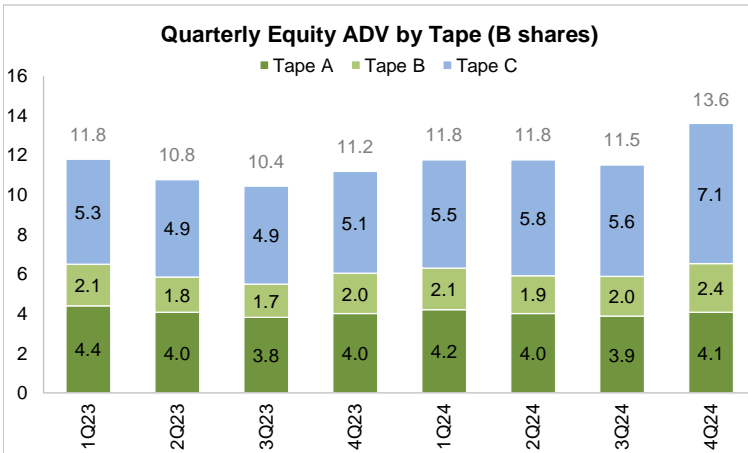
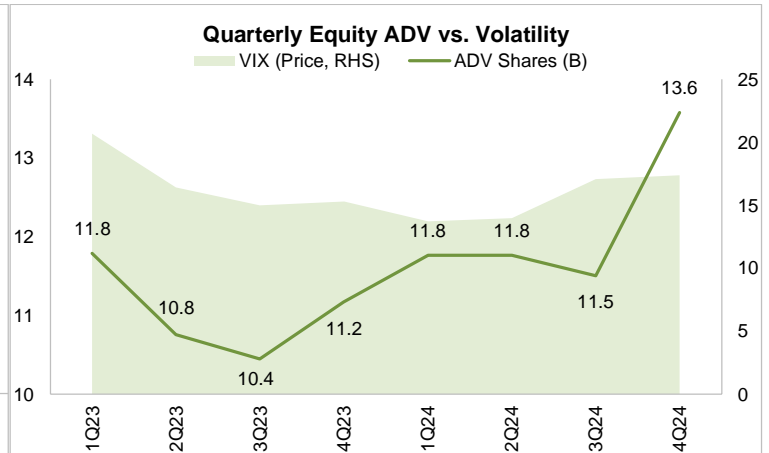
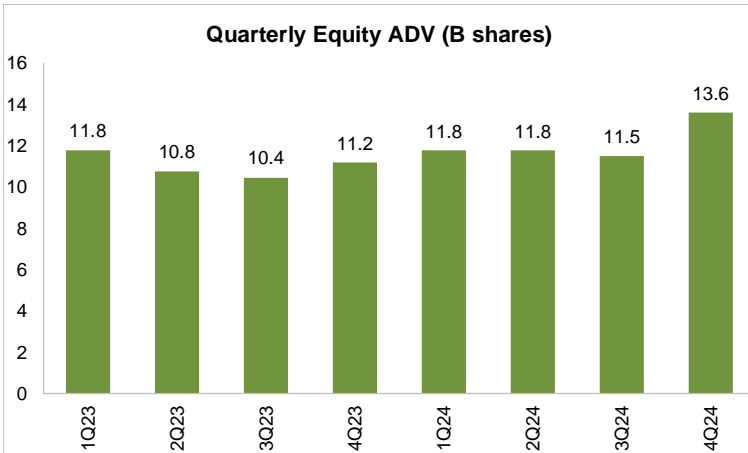
- Quarter: 17.36; +1.7% Q/Q, +13.5% Y/Y
- Last month of the quarter: 15.87; -0.9% M/M, +24.8% Y/Y
- Annual: 15.55; -7.7% Y/Y



Source: Bloomberg, SIFMA estimates

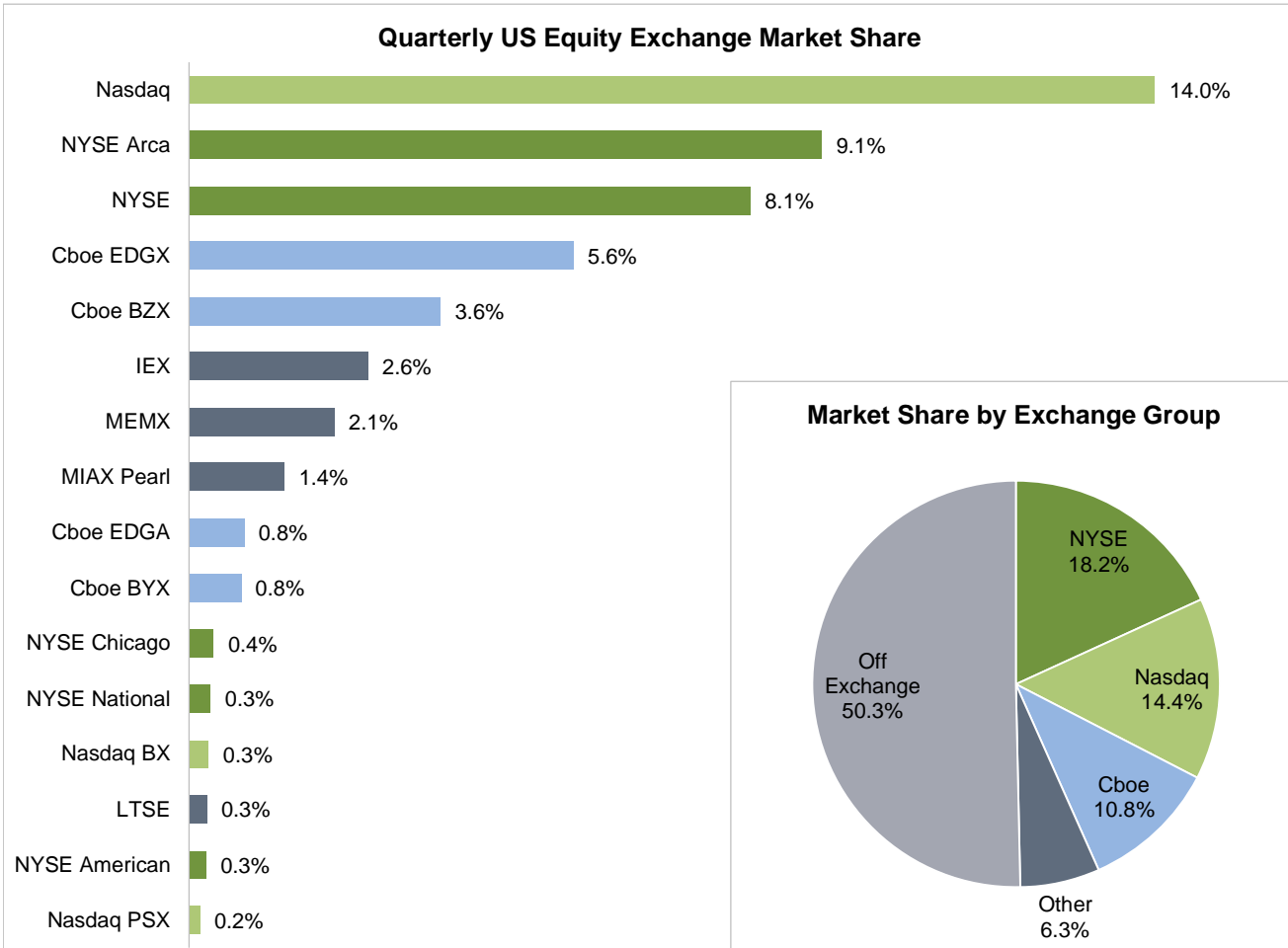
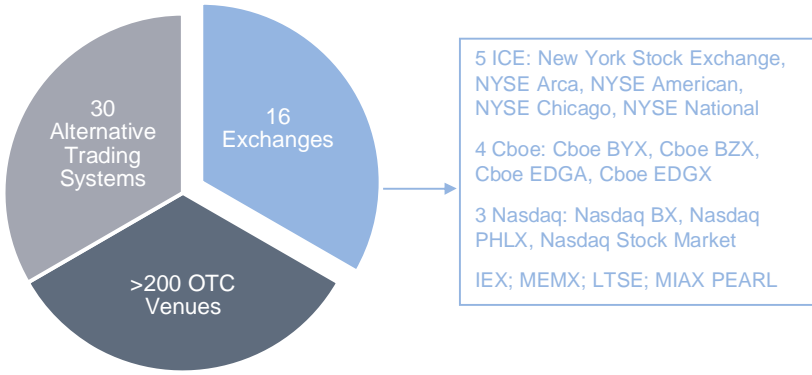
Equity Volumes: Review of Quarterly ADV

- Equity ADV: 13.6B shares; +18.1% Q/Q, +21.6% Y/Y
- Off-exchange trading: 50.3%; +3.0 pps Q/Q, +6.9 pps Y/Y



Source: Bloomberg, Cboe Global Markets, SIFMA estimates

Equity Exchanges: Quarterly Market Share



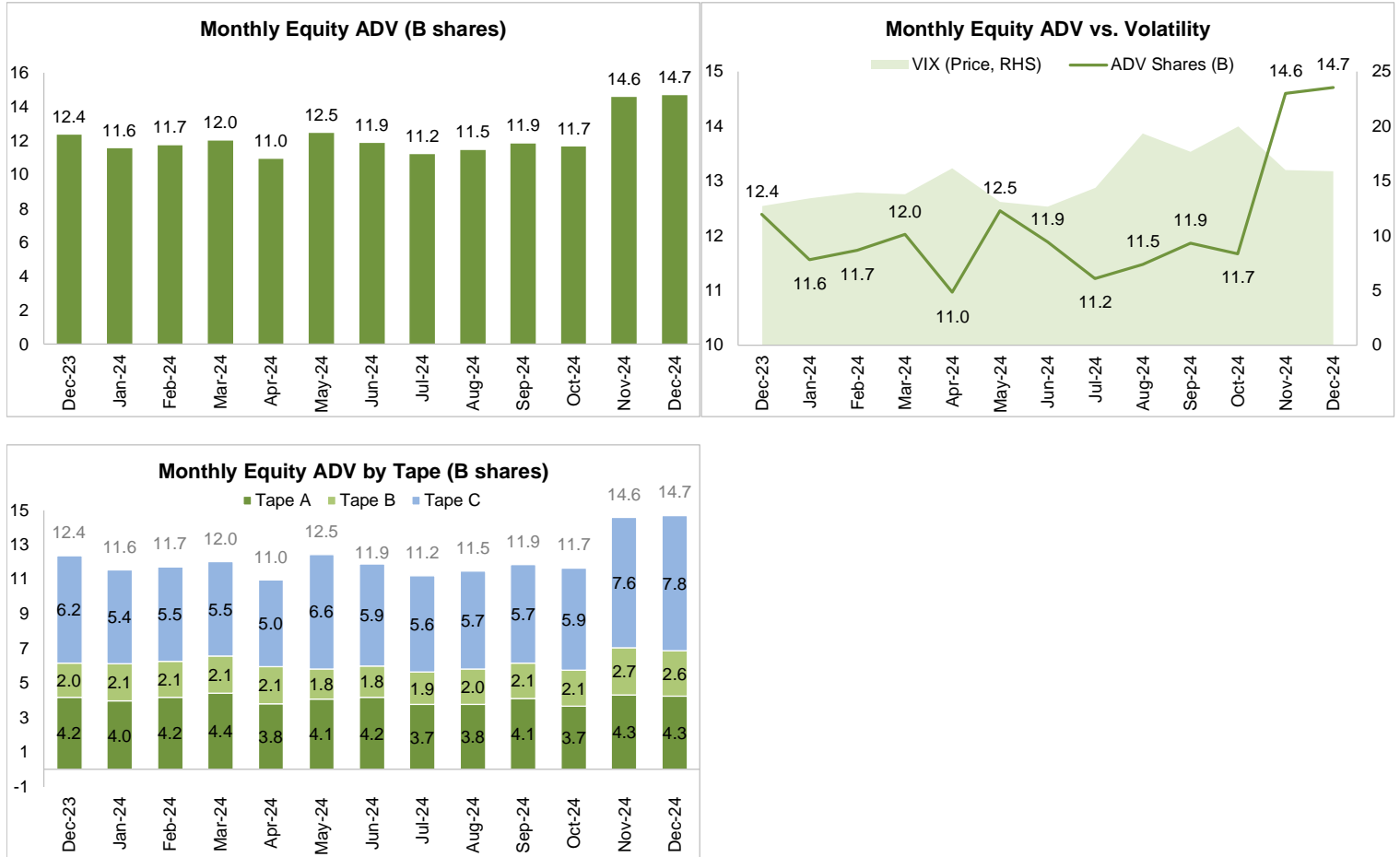
Source: Cboe Global Markets, FINRA, SIFMA estimates

Note: The New York Stock Exchanges (NYSE) are owned by Intercontinental Exchange (ICE). Cboe = Cboe Global Markets. Other = Investors Exchange (IEX), Members Exchange (MEMX), and Long-Term Stock Exchange (LTSE). Number of ATS as of 3Q24.

Equity Volumes: Monthly ADV Trends

Last month of the quarter:

- Equity ADV: 14.7B shares; +0.7% M/M, +18.7% Y/Y

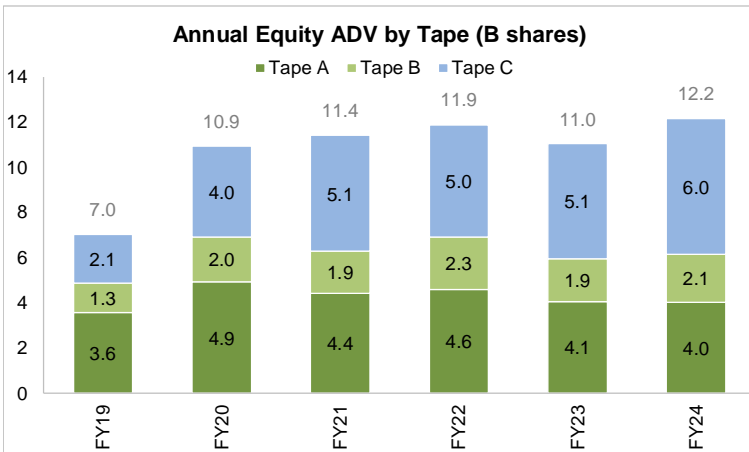
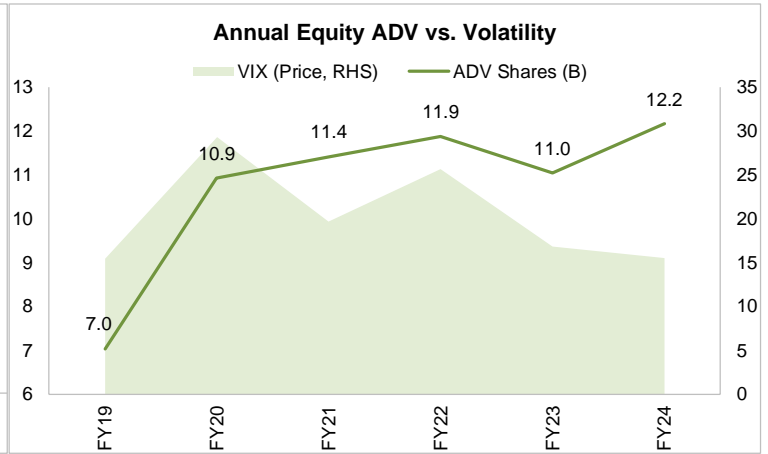
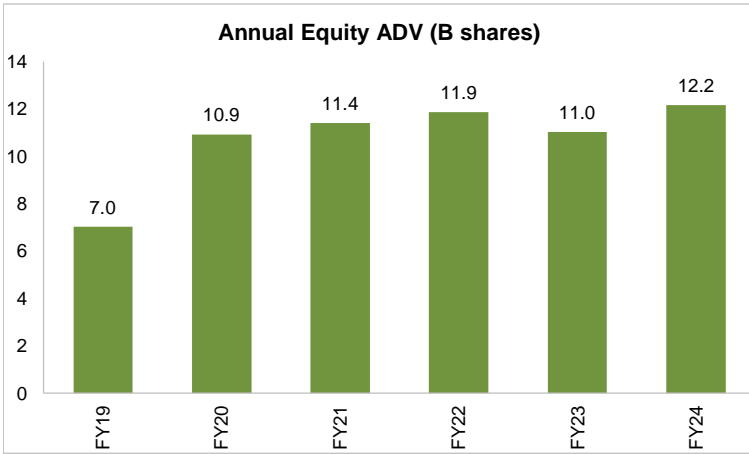


Source: Bloomberg, Cboe Global Markets, SIFMA estimates

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

Equity Volumes: Annual ADV Update

- Equity ADV: 12.2B shares, +10.2% Y/Y

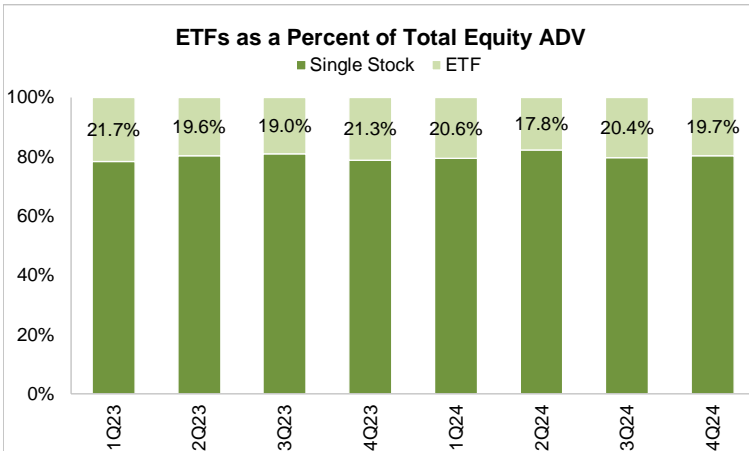
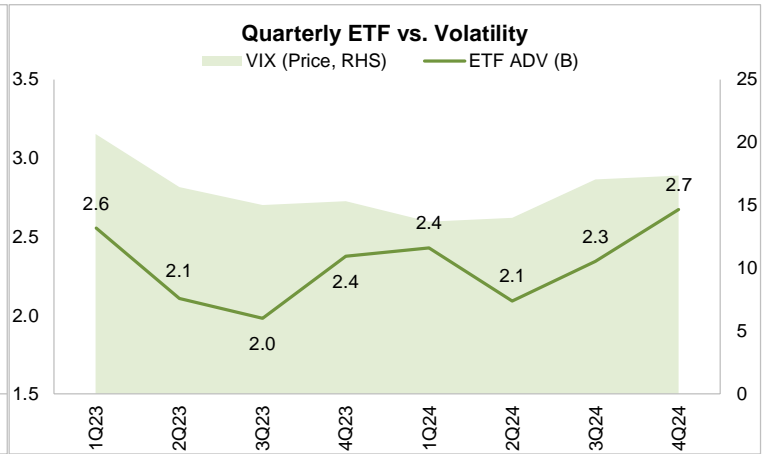
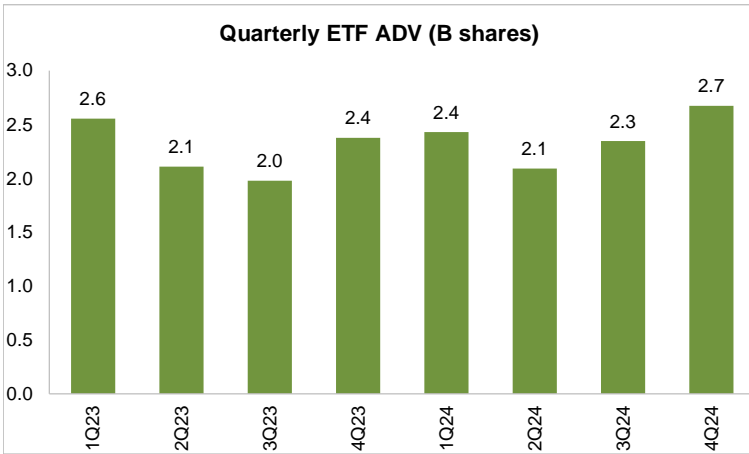


Source: Cboe Global Markets, SIFMA estimates

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

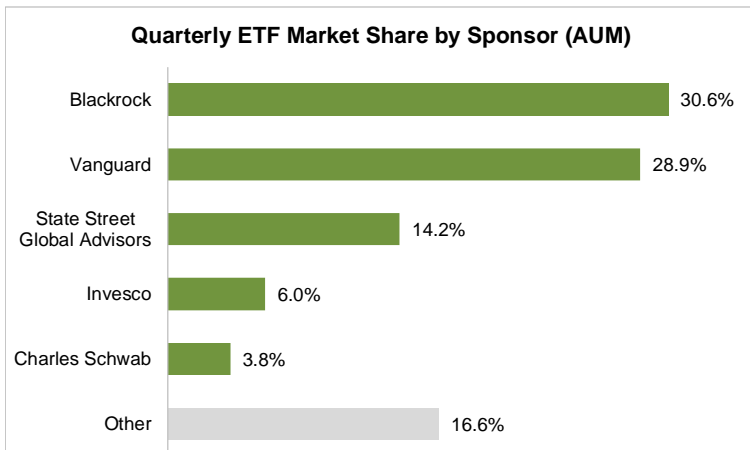
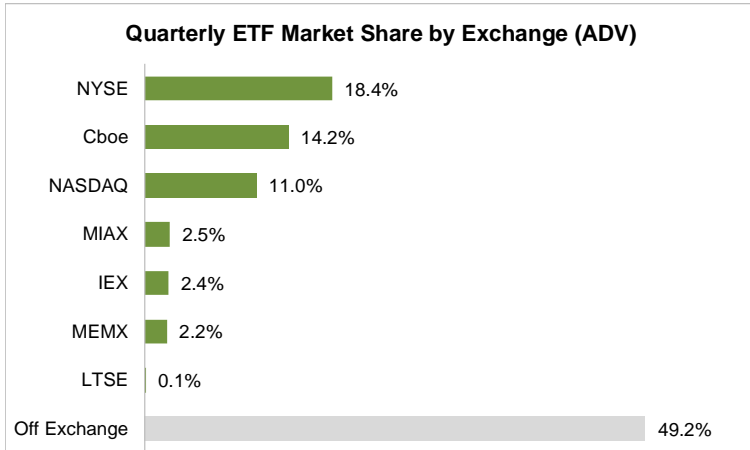
ETF Volumes: Review of Quarterly ADV

- ETF ADV: 2.7B shares; +14.0% Q/Q, +12.5% Y/Y
- ETF as a percentage of total equity volumes: 19.7%; -0.7 pps Q/Q, -1.6 pps Y/Y



Source: Bloomberg, Cboe Global Markets, SIFMA estimates

ETF Exchange & Sponsor: Quarterly Market Share

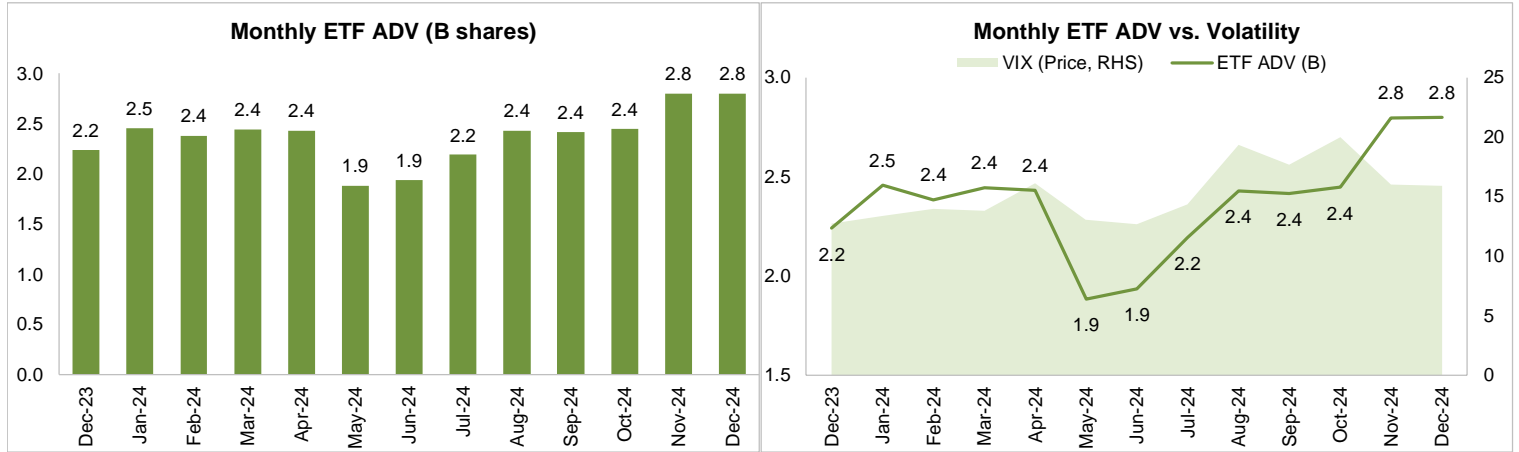


Source: Cboe Global Markets, etf.com, SIFMA estimates
 Note: ETF market share by sponsor as of December 2, 2025.

ETF Volumes: Monthly ADV Trends

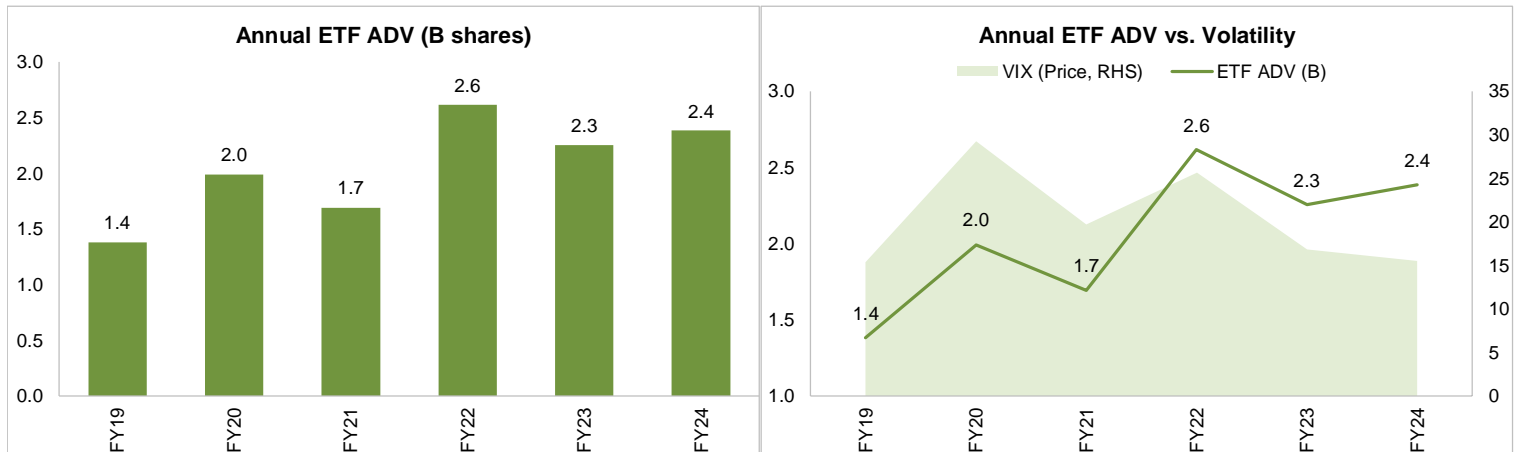
Last month of the quarter:

- ETF: 2.8B shares; +0.1% M/M, +24.9% Y/Y



ETF Volumes: Annual ADV Trends

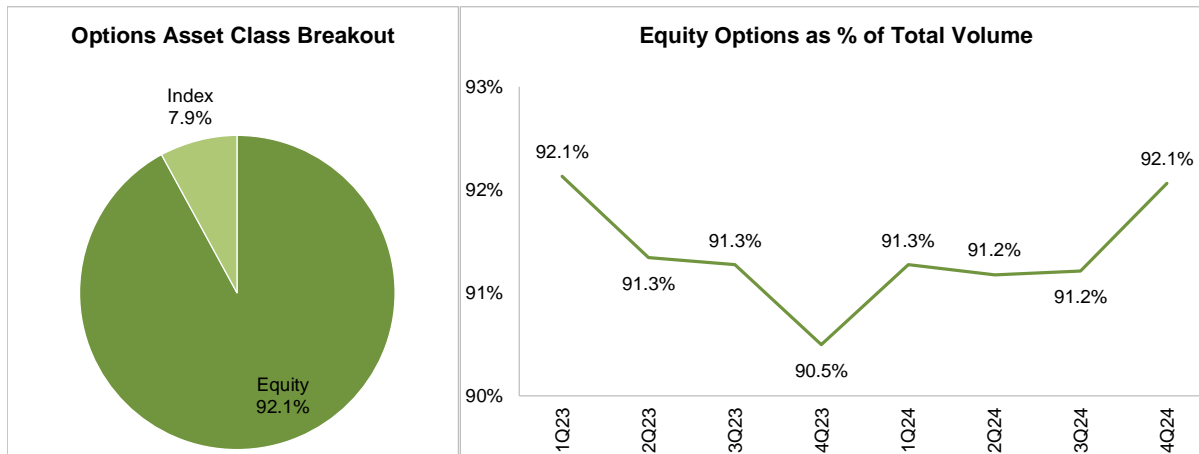
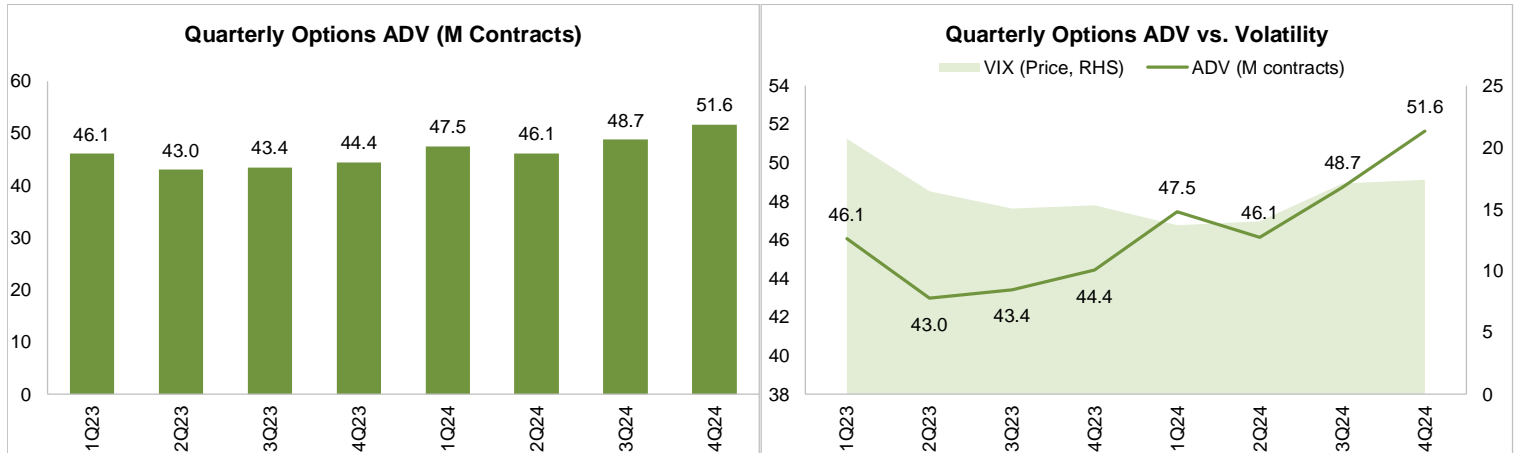
- ETF: 2.4B shares; +5.8% Y/Y



Source: Bloomberg, Cboe Global Markets, SIFMA estimates

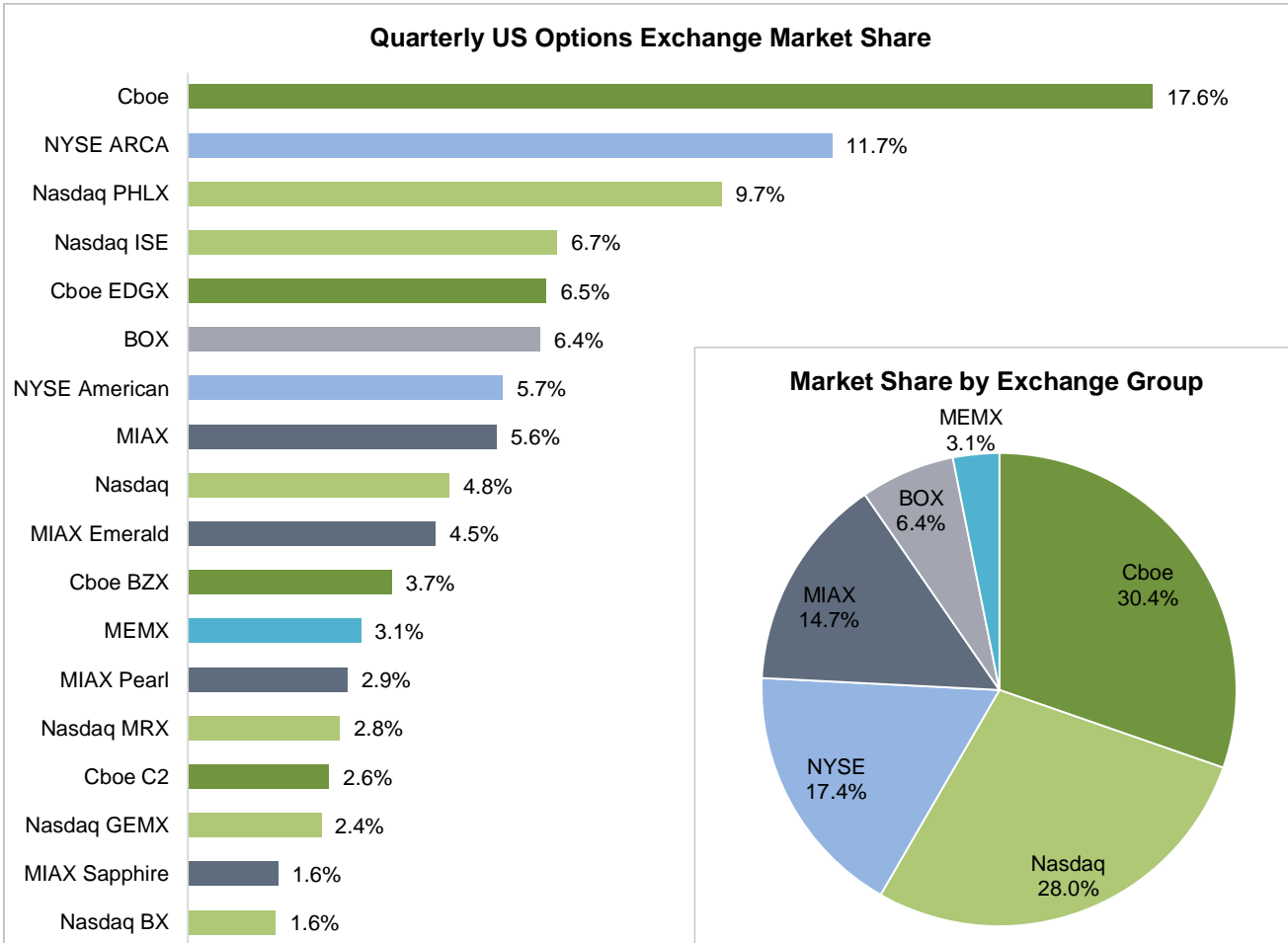
Options Volumes: Review of Quarterly ADV

- Options ADV: 51.6M contracts; +6.0% Q/Q, +16.3% Y/Y
- Equity options percentage of total options volumes: 92.1%; +0.8 pps Q/Q, +1.6 pps Y/Y



Source: Bloomberg, The Options Clearing Corporation, SIFMA estimates

Options Exchanges: Quarterly Market Share



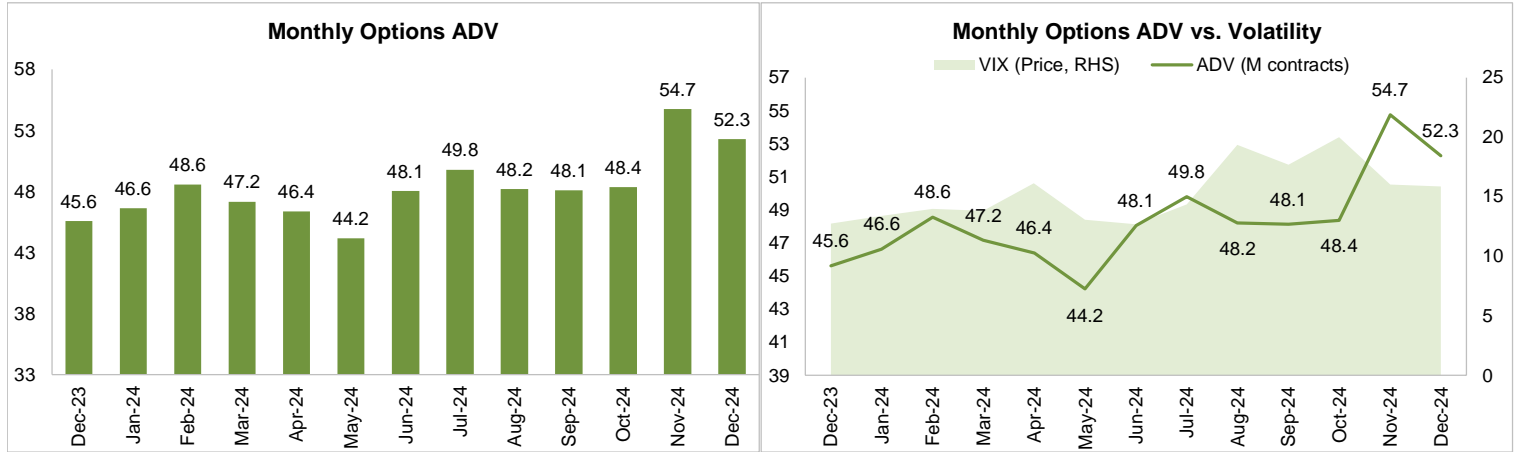
Source: The Options Clearing Corporation (OCC), SIFMA estimates

Note: Cboe = Cboe Global Markets. The New York Stock Exchanges (NYSE) are owned by Intercontinental Exchange (ICE). MIAX = Miami International Securities Exchange. BOX = BOX Exchange. MEMX = Members Exchange. Excludes futures and stock loan data.

Options Volumes: Monthly ADV Trends

Last month of the quarter:

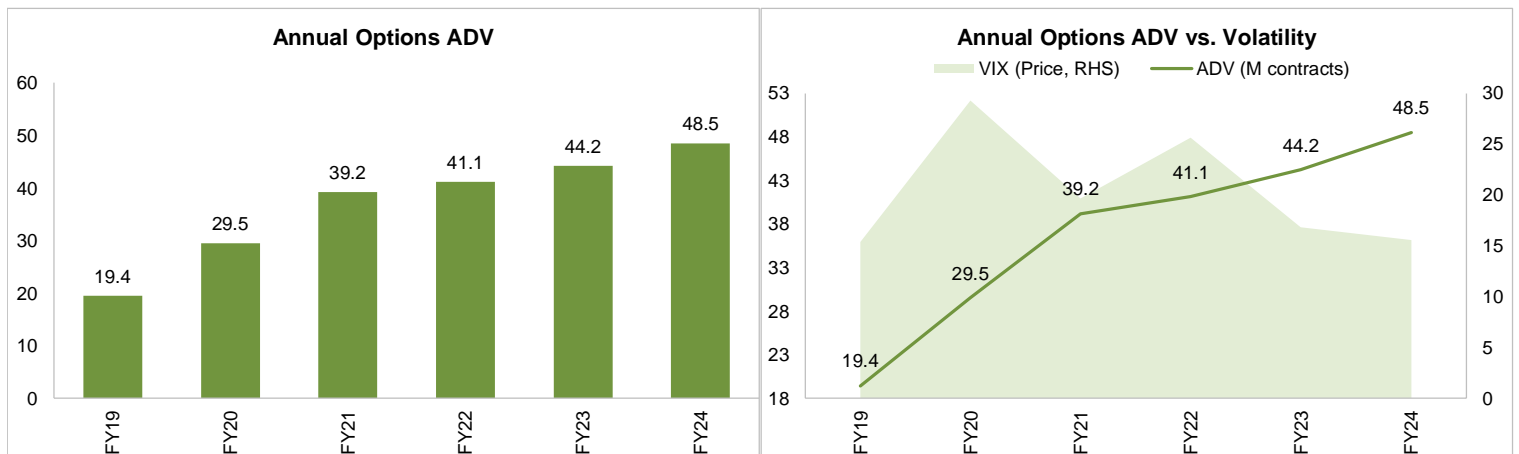
- Options ADV monthly average: 52.3M contracts; -4.5% M/M, +14.6% Y/Y



Source: Bloomberg, The Options Clearing Corporation, SIFMA estimates

Options Volumes: Annual ADV Update

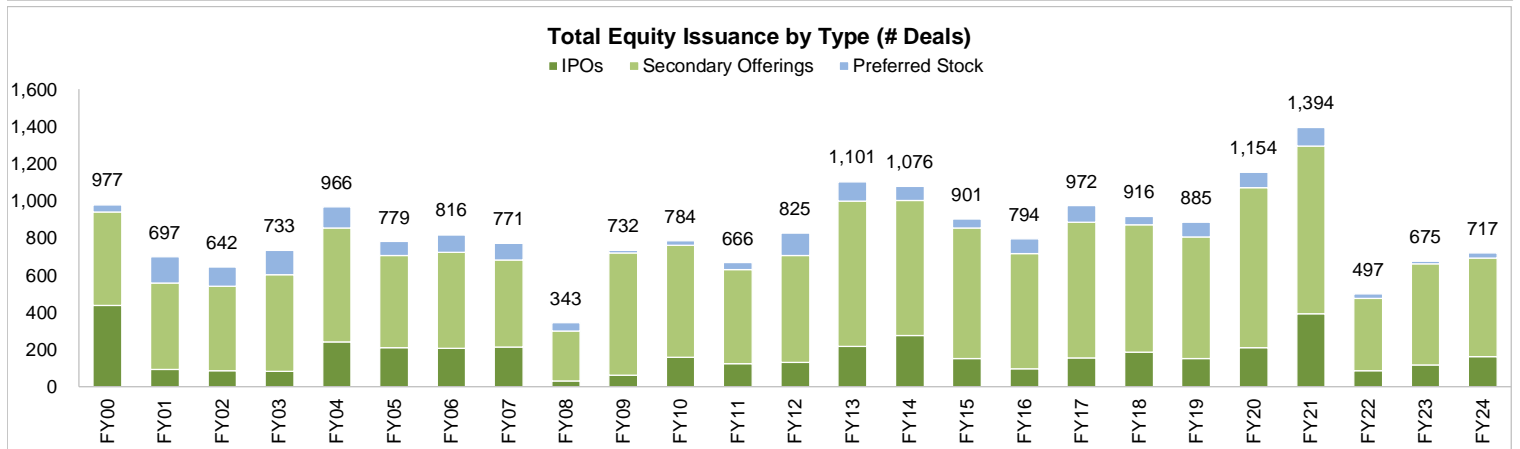
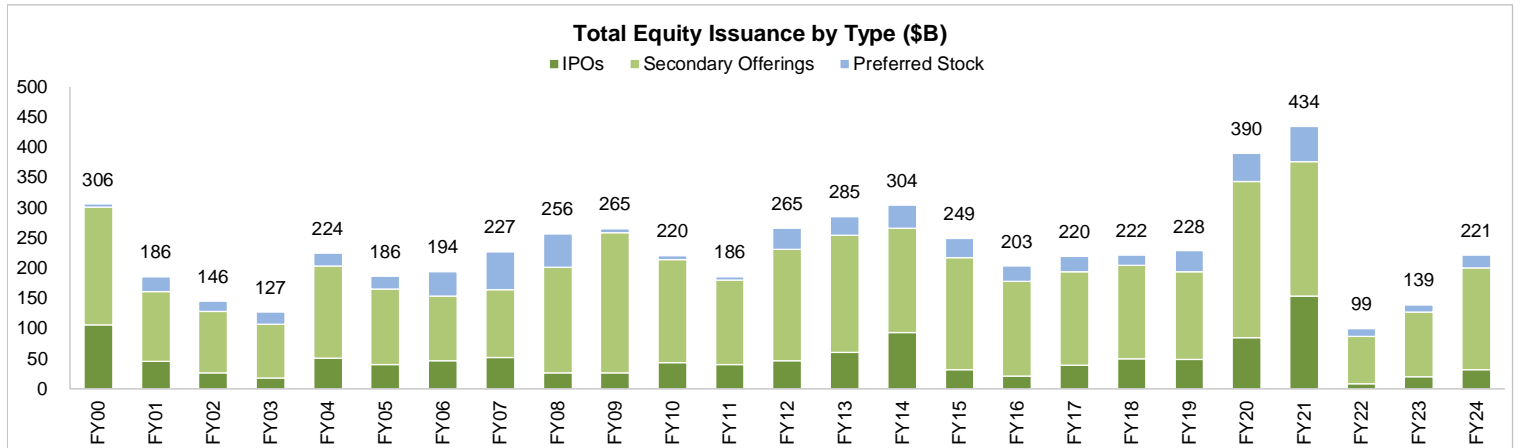
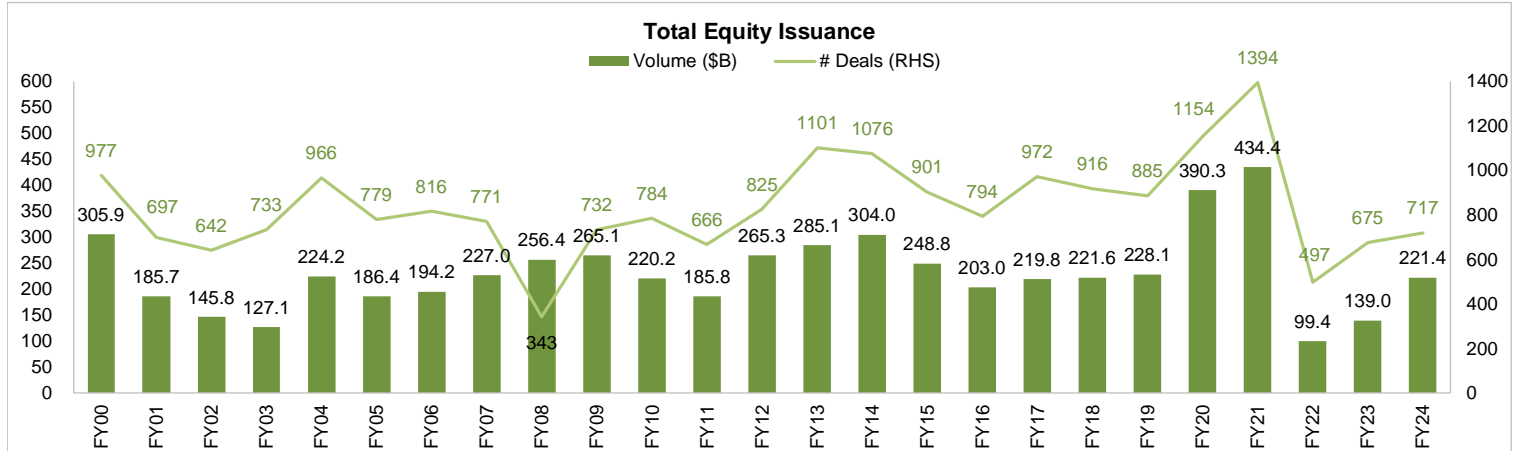
- Options ADV annual average: 48.5M contracts, +7.5% Y/Y



Source: Bloomberg, The Options Clearing Corporation, SIFMA estimates

Appendix: US Equity and Related Markets History

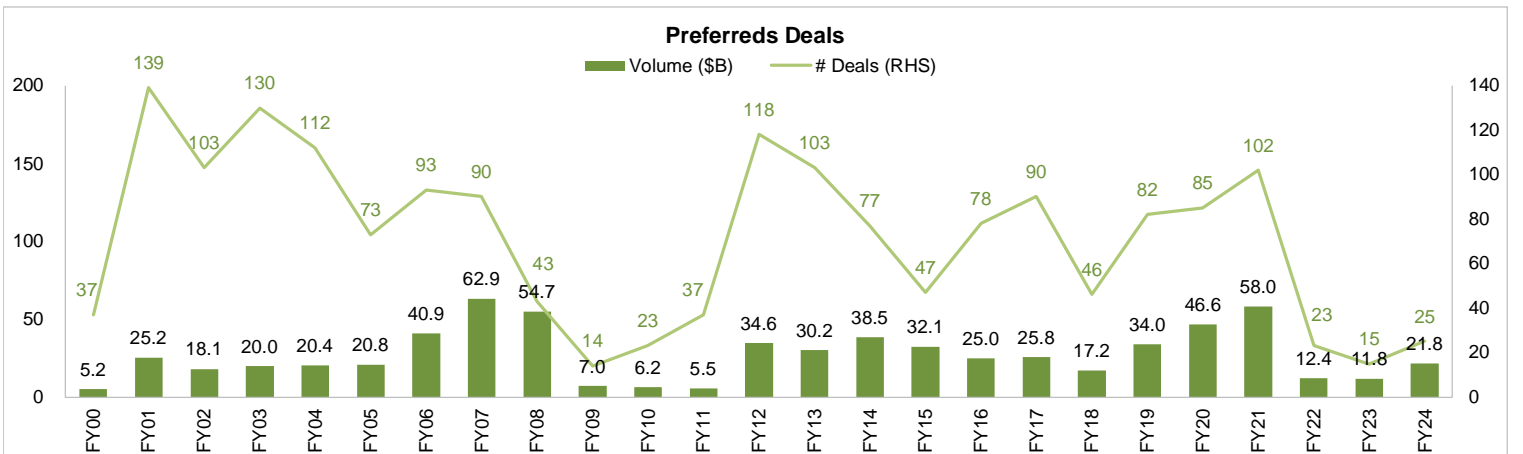
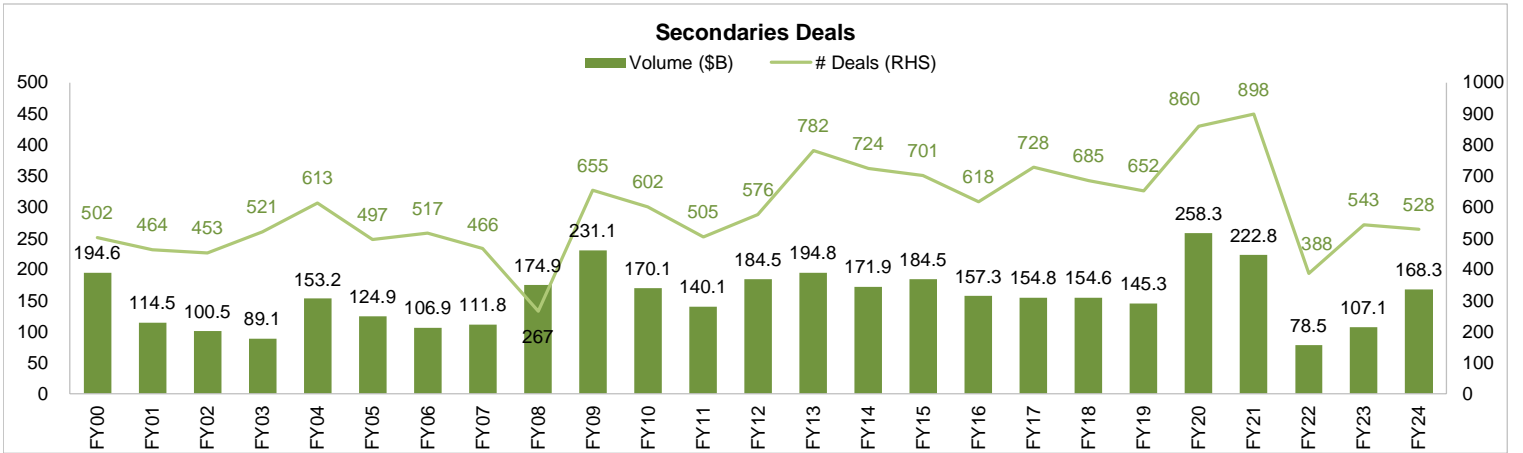
Equity Capital Formation



Source: Dealogic, SIFMA estimates

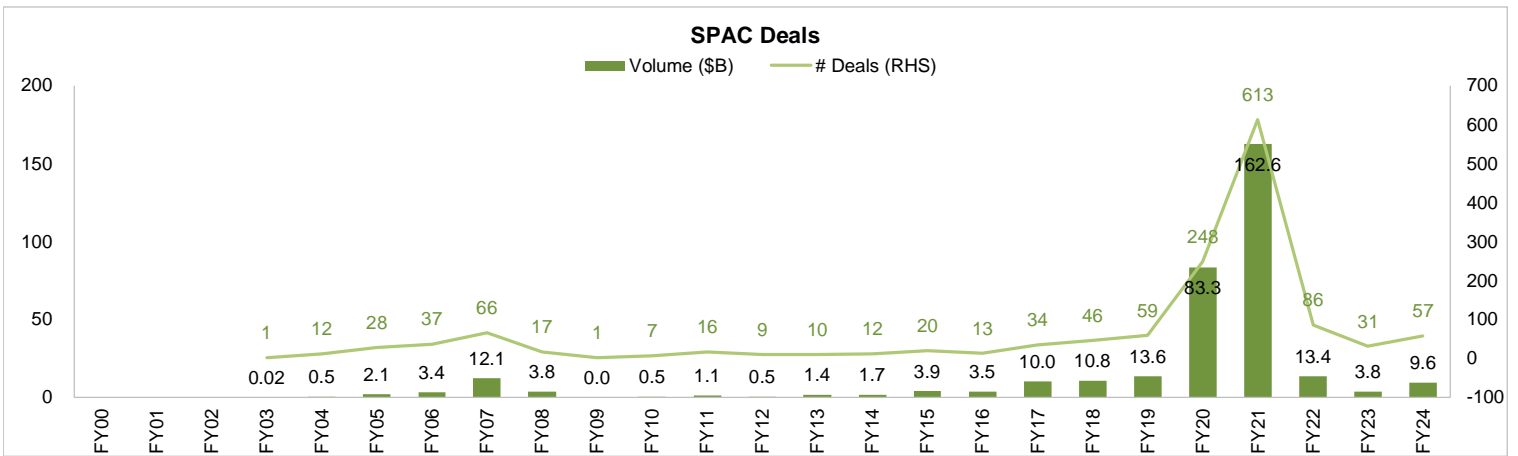
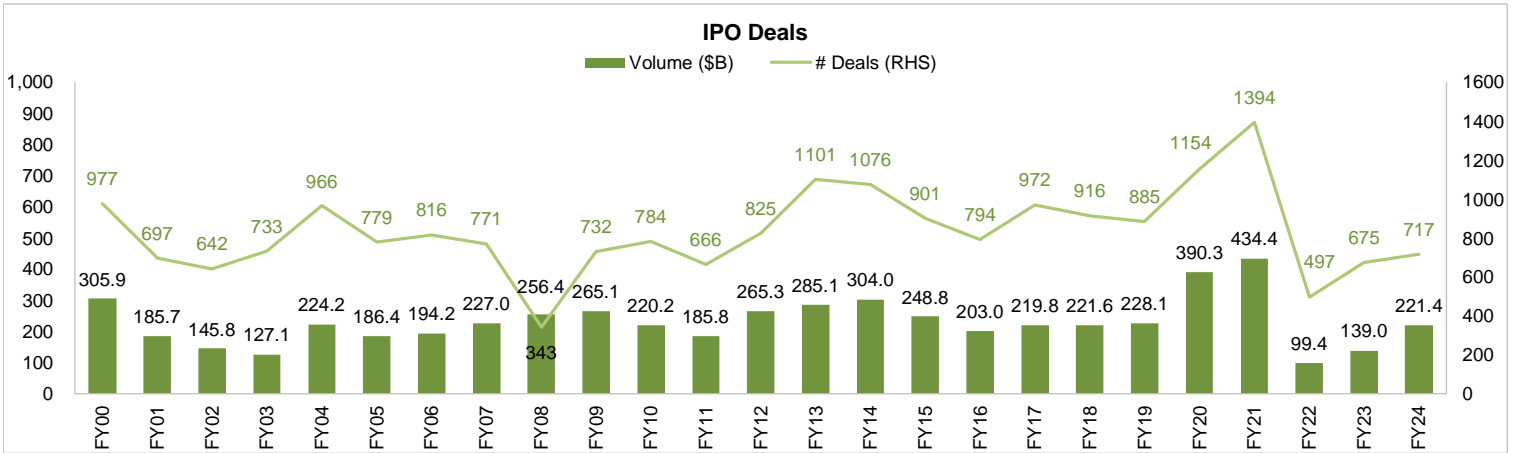
Note: Includes rank eligible deals and excludes, BDCs, SPACs, ETFs, CLEFs and rights offers.

Appendix: US Equity and Related Markets History



Source: Dealogic, SIFMA estimates

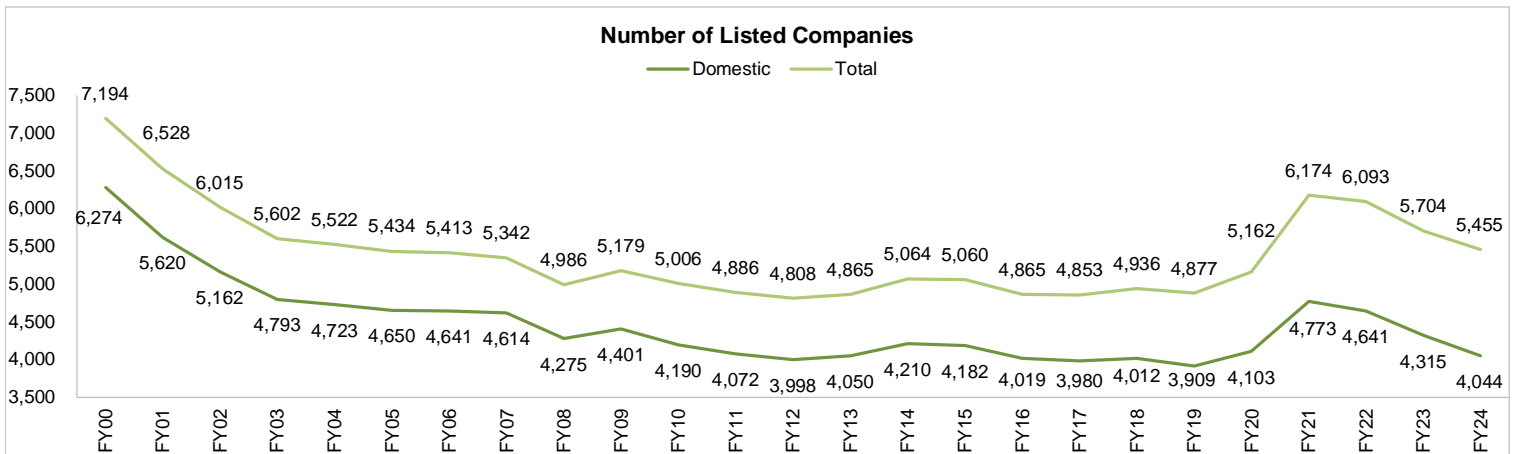
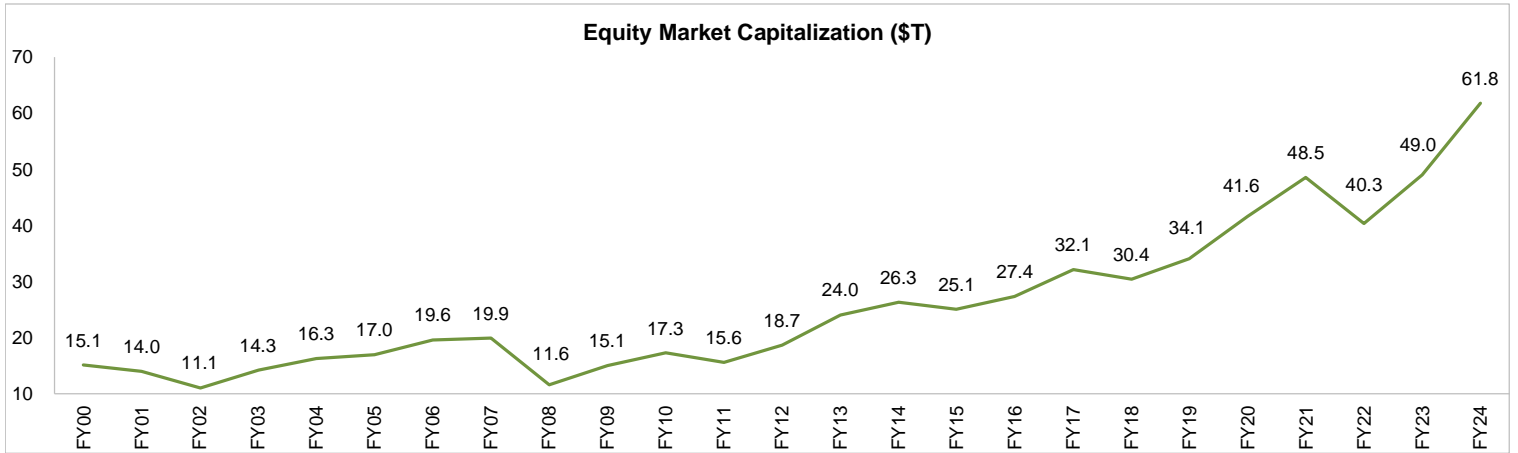
Appendix: US Equity and Related Markets History



Source: Dealogic, SIFMA estimates

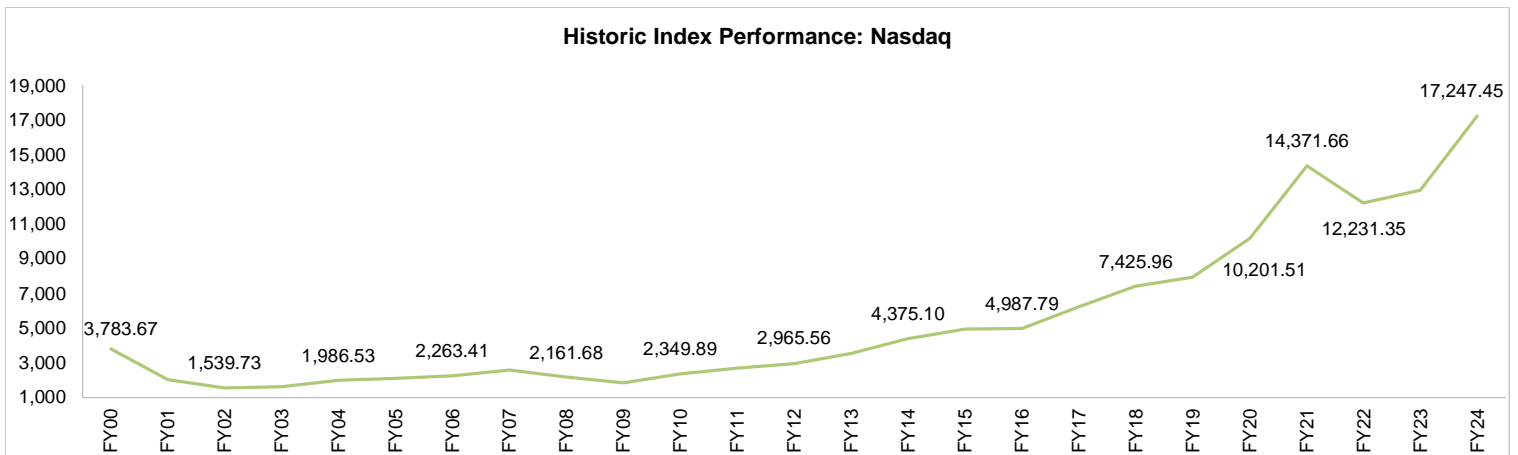
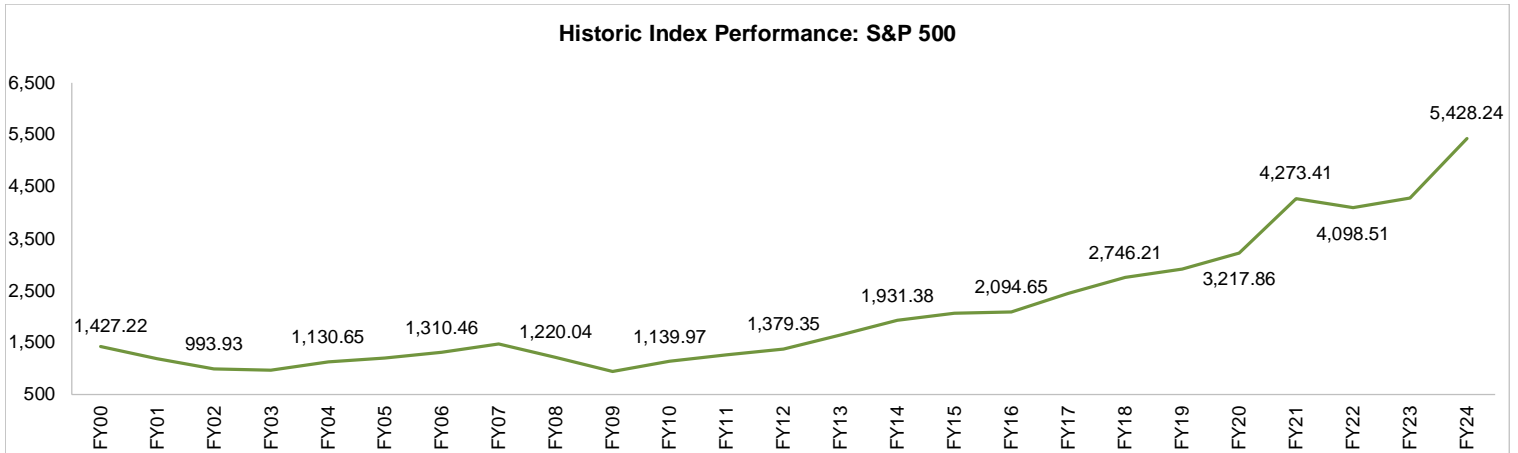
Note: IPO data includes rank eligible deals, excludes, BDCs, SPACs, ETFs, CLEFs and rights offers.

Appendix: US Equity and Related Markets History

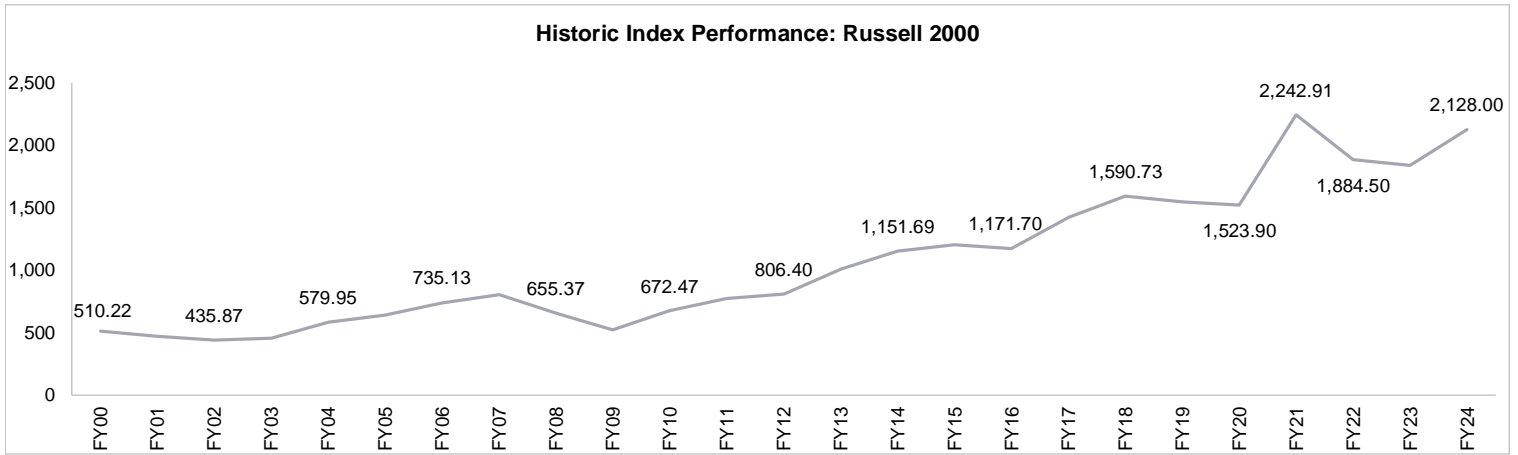
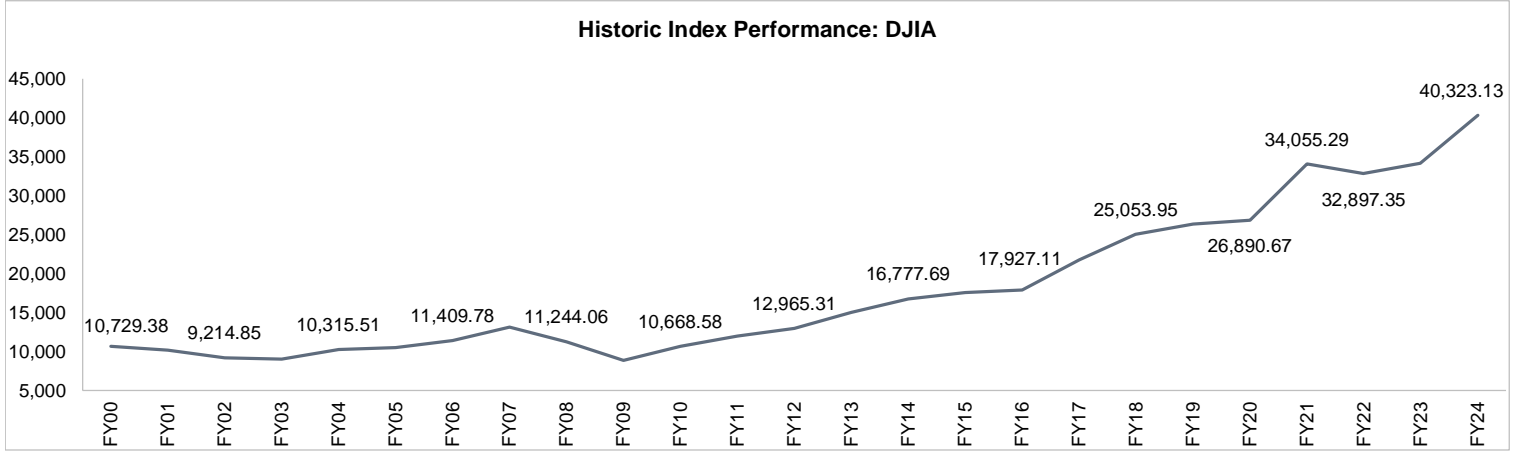


Source: World Federation of Exchanges, SIFMA estimates

Market Performance

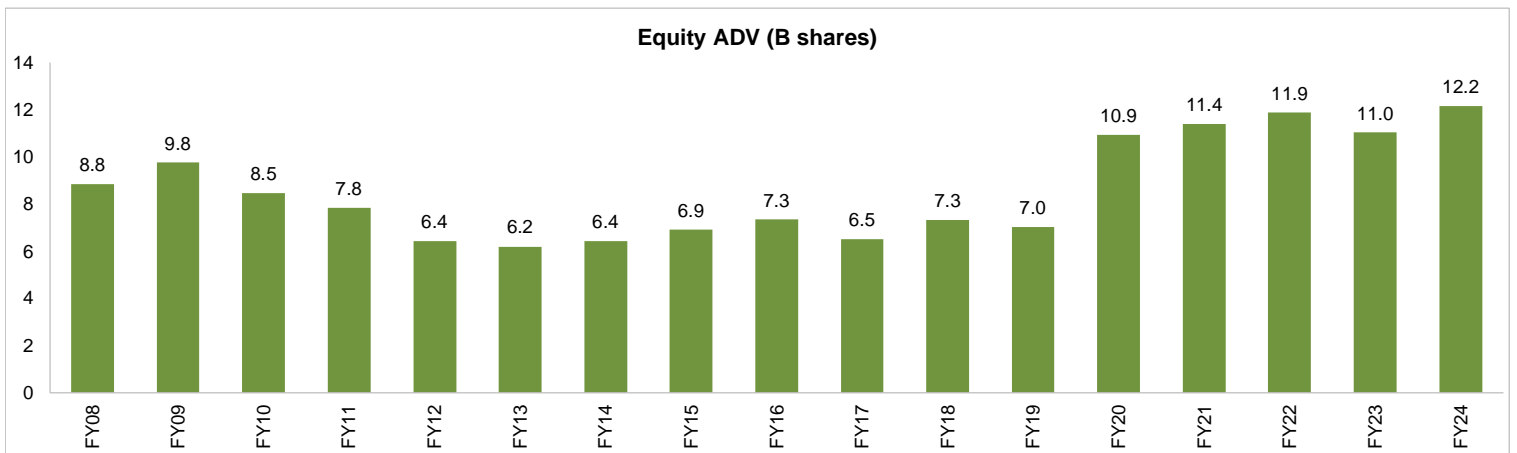
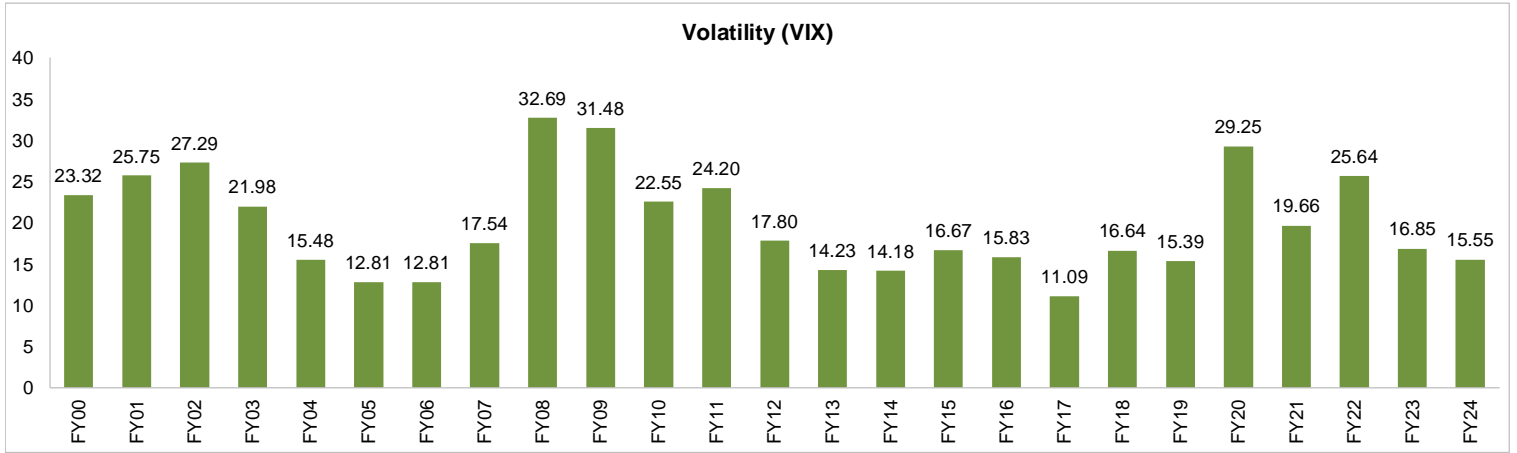


Source: Bloomberg, SIFMA estimates

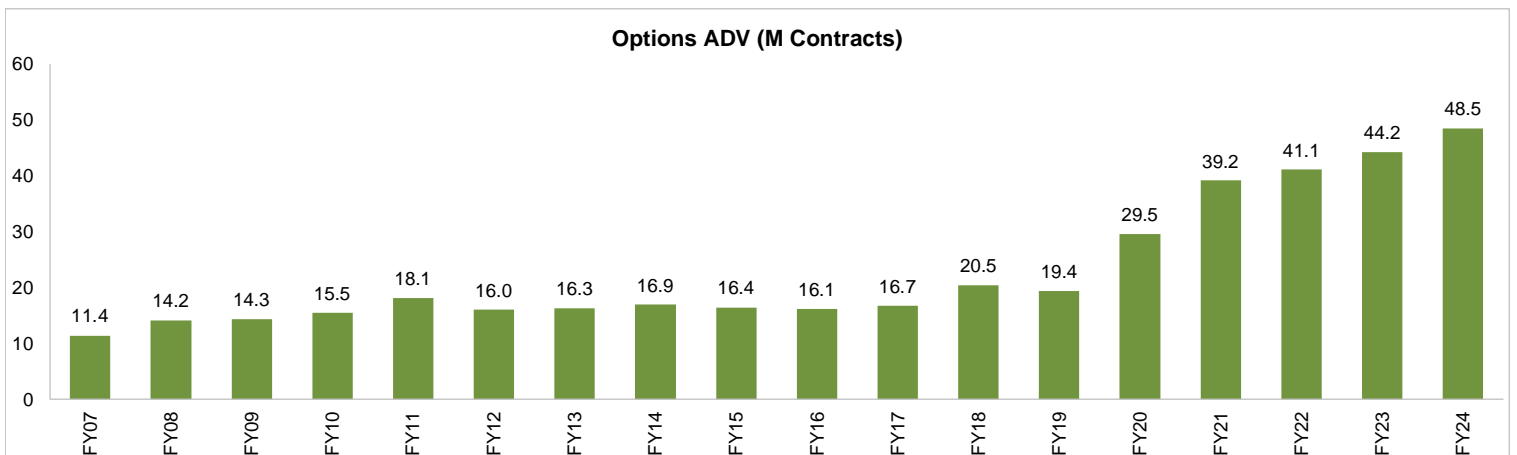
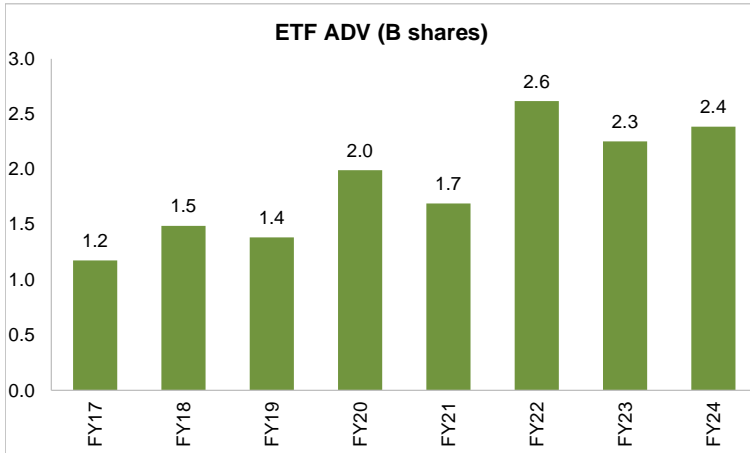


Source: Bloomberg, SIFMA estimates

Volatility & Volumes



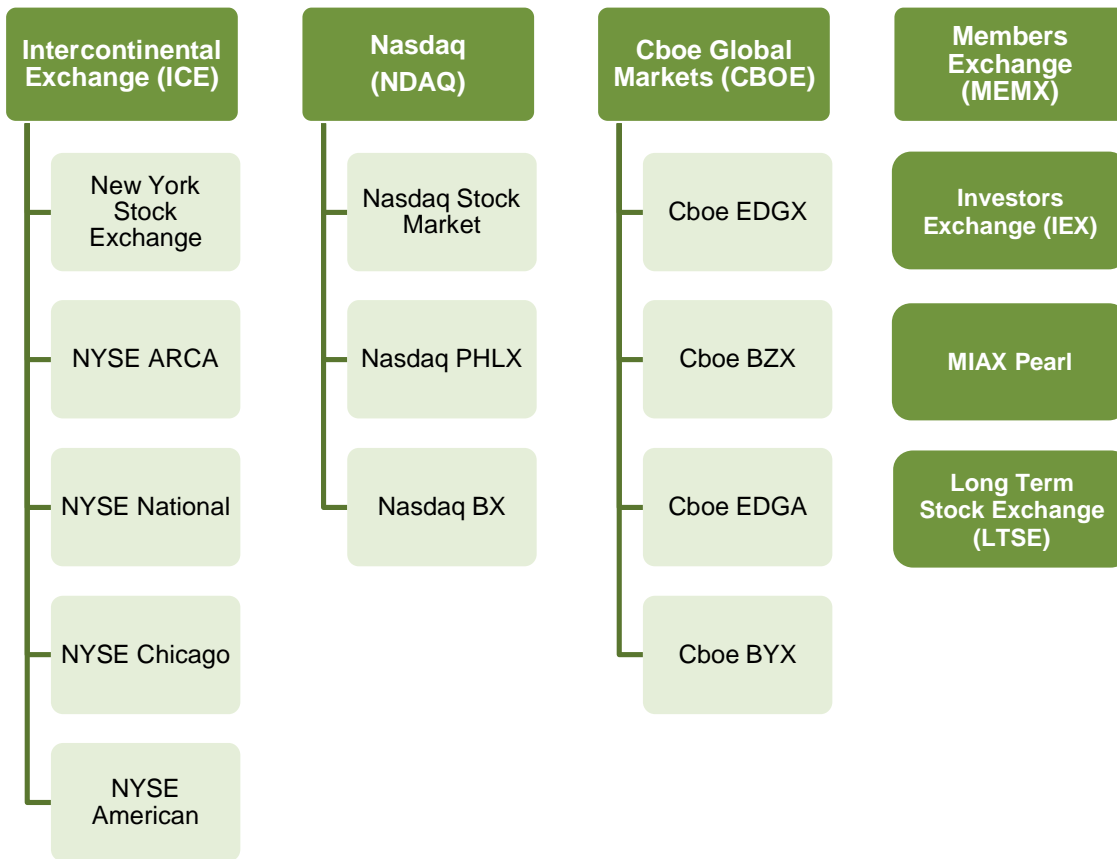
Source: Bloomberg, Cboe Global Markets, SIFMA estimates



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

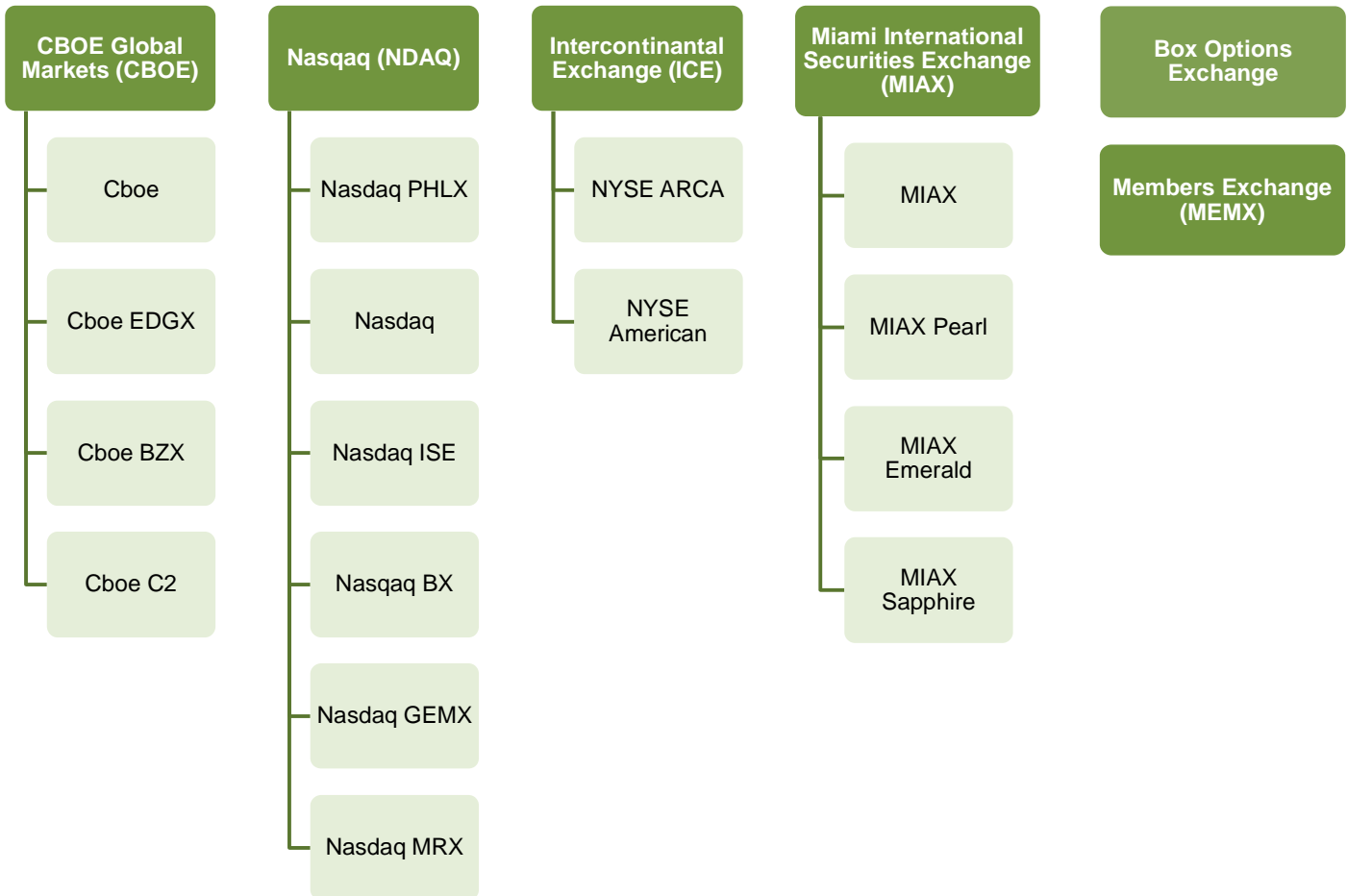
Appendix: US Exchange Landscape

Equities



Note: Volumes also trade off exchange

Options



Appendix: Definitions & Purpose

- **Capital Formation:** Companies may need capital for various business purposes. Earlier stage companies may need additional capital to grow to the next stage in the business life cycle. Companies also may need capital to expand organically or via acquisition, for example product or regional diversification. Companies utilize capital markets to acquire capital in many ways. Some of the equity issuance vehicles include:
 - Initial public offering (IPO): A private company raises capital by offering its common stock (equity) to the public in the primary markets for the first time. Securities are issued at an established price, and the process is facilitated by investment banks acting as financial intermediaries. Shares then continue to trade in the secondary market on exchanges or other trading venues.
 - Secondary offering (secondaries, or follow-ons): Sale of shares by a company that has already IPOed. A non-dilutive offering is when one or more major shareholders sell all or a large portion of their holdings; proceeds from this sale are paid to the selling shareholders. A dilutive offering involves creating new shares and offering them for sale to the public; proceeds go to the company.
 - Preferred stock (preferreds): Give owners a priority claim to dividends, providing investors a more stable cash flow relative to common stock. While cash flows present more bond-like traits – without the commitment to repay principal – shares behave more like common stock.
 - Special purpose acquisition companies (SPAC): Have no commercial operations – often called blank check companies – and are established solely to raise capital through an IPO for the purpose of acquiring unspecified existing companies.

- **Markets**
 - 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 remains over 50% technology stocks (this percentage has come down over the years).
 - 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**

- ADV = average daily volume = sum of volumes over the time period divided by the number of days in the time period.
- 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 granting the right 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: Capital Markets Terms to Know

Statistics

| | |
|------|------------------------------|
| Y/Y | Year over Year |
| Q/Q | Quarter over Quarter |
| M/M | Month over Month |
| W/W | Week over Week |
| D/D | Day over day |
| YTD | Year to Date |
| QTD | Quarter to Date |
| MTD | Month to Date |
| WTD | Week to Date |
| BPS | Basis Points |
| PPS | Percentage Points |
| CAGR | Compound Annual Growth Rate |
| RHS | Right hand side (for charts) |

Other

| | |
|-----|-------------------------|
| AUM | Assets Under Management |
| DCM | Debt Capital Markets |
| ECM | Equity Capital Markets |

Regulators

| | |
|----------------|--|
| North America | |
| FINRA | Financial Industry Regulatory Authority (United States) |
| SEC | Securities and Exchange Commission (United States) |
| CSC | Canadian Securities Administrators |
| European Union | |
| ESMA | European Securities and Markets Authority |
| AMF | Autorité des marchés financiers (France) |
| BaFin | Federal Financial Supervisory Authority (Germany) |
| FINMA | Swiss Financial Market Supervisory Authority (Switzerland) |
| United Kingdom | |
| FCA | Financial Conduct Authority |
| AsiaPac | |
| ASIC | Australian Securities and Investments Commission |
| CSRC | China Securities Regulatory Commission |
| SFC | Securities and Futures Commission (Hong Kong) |
| SEBI | Securities and Exchange Board of India |
| FSA | Financial Services Agency (Japan) |
| MAS | Monetary Authority of Singapore |

Trading

| | |
|----------------|---|
| ADV | Average Daily Trading Volume |
| Algo | Algorithm (algorithmic trading) |
| ATS | Alternative Trading System |
| Best Ex | Best Execution |
| BPS | Basis Points |
| CLOB | Central Limit Order Book |
| D2C | Dealer-to-Client |
| D2D | Dealer-to-Dealer |
| ECN | Electronic Communication Network |
| ETP | Electronic Trading Platforms |
| HFT | High-Frequency Trading |
| IDB | Inter-Dealer Broker |
| IOI | Indication of Interest |
| MM | Market Maker |
| OTC | Over-the-Counter |
| SDP | Single-dealer platform |
| 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 prior to the market open |
| Closing Cross | To determine the closing price of a stock, accumulating all buy and sell interest prior 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 |

Post Trade

| | |
|------|---|
| DTCC | The Depository Trust and Clearing Corporation |
| CSD | Central Securities Depository |
| CCP | Central Counterparty Clearing House |
| CP | Counterparty |
| IM | Initial Margin |
| VM | Variation Margin |
| MPR | Margin Period at Risk |
| T | Trade Date |
| T+1 | Settlement Date |

Investors

| | |
|---------------|---|
| Institutional | Asset managers, endowments, pension plans, foundations, mutual funds, hedge funds, family offices, insurance companies, banks, etc.; fewer protective regulations as assumed to be more knowledgeable and better able to protect themselves |
| Individual | Self-directed or advised investing |

Equities

| | |
|-----------|---|
| EMS | Equity Market Structure |
| NMS | National Market System |
| Reg NMS | Regulation National Market System |
| SIP | Security Information Processor; aggregates all exchange's best quotes, sent back out to the market in one data stream |
| PFOF | Payment For Order Flow |
| Tick Size | Minimum quote increment of a trading instrument |
| CAT | Consolidated Audit Trail |
| SRO | Self Regulatory Organization |

ETFs/Funds

| | |
|-----|----------------------------|
| AP | Authorized Participant |
| PCF | Portfolio Composition File |
| NAV | Net Asset Value |
| IIV | Intraday Indicative Value |
| ETF | Exchange-Traded Fund |
| ETP | Exchange-Traded Product |
| MF | Mutual Fund |
| OEF | Open-End Fund |
| CEF | Closed-End Fund |
| UIT | Unit Investment Trust |

Options

| | |
|------------------|---|
| 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 |

Appendix: Capital Markets Terms to Know

Equity Capital Formation

| | |
|------------------|---|
| 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 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 for the share sale and no stock price stabilization from the underwriter after the share listing. |

Underwriting

| | |
|----------------------|---|
| 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 |
| 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 |

Documentation

| | |
|------------------------|---|
| 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 issuer & 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, filed with the SEC |
| Tombstone | An announcement that securities are available for sale. (Also a plaque awarded to celebrate the completion of a transaction or deal) |

Process

| | |
|-------------------|--|
| 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 |

SEC Filings

| | |
|-----------|--|
| 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.), mandated by the SEC |
| EGC | Emerging Growth Company; qualified companies may choose to follow disclosure requirements that are scaled for newly public |

Fixed Income

| | |
|-------|---|
| CUSIP | Committee on Uniform Securities Identification Procedures; a nine character security identifier |
| FICC | Fixed Income, Currencies and Commodities |
| FI | Fixed Income |
| TRS | Total Return Swap |

Rates Markets

| | |
|--------|--|
| UST | U.S. Treasury Securities |
| FRN | Floating Rate Note |
| T-Bill | U.S. Treasury Bill |
| T-Note | U.S. Treasury Note |
| T-Bond | U.S. Treasury Bond |
| TIPS | Treasury Inflation Protected Securities |
| Repo | Repurchase Agreement; also have reverse repos |
| Agency | Federal Agency Securities |
| FAMC | Farmer Mac/Federal Agricultural Mortgage Corporation |
| FCS | Farm Credit System |
| FHLB | Federal Home Loan Banks |
| FHLMC | Freddie Mac/Federal Home Loan Mortgage Corporation |
| FNMA | Fannie Mae/Federal National Mortgage Association |
| GNMA | Ginnie Mae/Government National Mortgage Association |
| TVA | Tennessee Valley Authority |

Credit Markets

| | |
|------------|-------------------------|
| Corporates | Corporate Bonds |
| HY | High Yield Bond |
| IG | Investment Grade Bond |
| Munis | Municipal Securities |
| GO | General Obligation Bond |
| Revenue | Revenue Bond |

Securitized Products

| | |
|------|---|
| MBS | Mortgage-Backed Security |
| CMO | Collateralized Mortgage Obligation |
| CMBS | Commercial MBS |
| RMBS | Residential MBS |
| ABS | Asset-Backed Securities (auto, credit card, home equity, student loans, etc.) |
| CDO | Collateralized Debt Obligation |

Money Markets (MM)

| | |
|------|-------------------------------|
| CP | Commercial Paper |
| ABCP | Asset-Backed Commercial Paper |
| MMF | Money Market Funds |

Appendix: SIFMA Research Reports - Statistics

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 landscape; equity market capitalization 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, and asset-backed securities, as well as ESG issuance statistics; and rates update (Treasuries, mortgage, SOFR).
 - Fixed Income – Outstanding: outstanding balances for U.S. Treasuries, mortgage-backed securities, corporate bonds, municipal securities, federal agency securities, asset-backed securities, money markets, and repurchase agreements; and rates update (Treasuries, mortgage, SOFR).
 - Financial Institutions: financial (income statement and balance sheet metrics) and regulatory (ratios on capital levels and more) 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 data on outstanding, issuance, volumes); the investment banking landscape; and international securities transactions.
 - U.S.: Equity, fixed income, derivatives, and private placement markets data on outstanding, issuance, volumes, and index prices, as well as mutual fund and ETF statistics; the investment banking landscape; household liquid financial asset breakout, household equity ownership, and holders of equities; retirement asset breakout and mix across asset classes, savings rates, and other economic indicators; federal balance sheet overview; number of broker-dealers, registered representatives, registered investment advisors, and branch offices, along with state maps for that data; and industry financial overview.

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