THE STOCK EXCHANGE (VIDEO)

- president
- bull
- shares
- investors
- diversification
- directly
- slave
- dropped
- financial
- sell
- JP Morgan
- stocks
- brokers
- unregulated
- pilgrims
- government
- Wall Street
- bear
- railroads
- Dow Jones
- short sell
- illegal
- telegraph
- markets
- Indians
- U.S. Steel
- Buttonwood Agreement
- New York City
- ticker
- stock market
- gained
- Wall Street Journal
- margin
- debt
- Securities & Exchange Commission

The Stock Exchange is two __________ in one: it is a place where companies can sell __________ of stock to __________, and a place where investors can sell their shares of stock to other investors.

Forty percent of American families own stock in U.S. companies – either __________ or through mutual funds / retirement accounts.

In 1653 the __________ built a wall to keep out __________ - 100 years later the wall was gone, but the path worn beside the wall served as the heart of __________ commerce and society. It was the place for public pillory, __________ auctions, and even George Washington was sworn in as __________ there in 1789.

Merchants gathered under the buttonwood tree to auction __________ for new companies. The public auction became so overcrowded that the group of merchants decided to move indoors. They filed the ___________________ - closed the auction to outsiders and required all sales to go through __________; also, wanted to avoid __________ regulation of street auctions.

In a __________ market, prices are low and the investors are buying in order to push stock prices back up to a higher level. In a __________ market, prices are already high and investors try to force prices down.

Heddy Green was known as the "Witch of Wall Street". She amassed a fortune of $100 million, the equivalent of $2 billion today, through her investments in ___________. Her theory was "buy cheap – sell deep".

Jay Gould was known as the Mephistopheles of Wall Street. He mastered the _____________ - he made money by borrowing stocks from a company, selling them at a high price, then buying them back at a low price. This practice is legal, but he manipulated it by publishing faulty information about the companies in his newspaper that caused the companies' stock values to drop, thereby benefiting him personally. This conflict of interest is now __________.

In 1832 the __________ revolutionized the stock exchange. It allowed stocks to be centralized and eliminated the need for regional stock exchanges across the country. __________ became the central location for all stock exchange in the United States.

In 1889 the ____________________ was published. It sold for two cents an issue and included the _______________ Industrial Average – a daily analysis of stocks of major U.S. companies.

_______________ combined hundreds of independent railroads and factories to create ___________ - the first billion-dollar company. Although he monopolized the industry, his company boosted the _______________ substantially.

From 1924 to 1929 the Dow Jones Industrial Average __________ more than 300%. During that time, many people began buying stocks on __________ - on credit. In 1928 Charles Merrill (of Merrill and Lynch) sent a letter to his clients: "Get out of __________ - take advantage of present high prices and put your own financial house in order." By October 29, 1929, the margin calls had hurt many investors and a huge sell-off began. By early afternoon, the __________ was running four hours late – panic spread throughout the U.S. as current information was not available. Richard Whitney, president of the New York Stock Exchange, came in with some bankers and bought $20 million of stock in a few minutes – tried to save the sell-off by fooling the market.

The spiral downward continued for three years. GE stocks dropped from $1600 to $154; GM fell from $1075 to $40. The Dow Jones Industrial Average __________ 89% of its value during this time - $72 billion of investments were wiped out.

The Crash of 1929 revealed flaws in the _____________ market. Franklin Roosevelt created the _________________________ that begin governmental regulation of the exchange of public stocks. This regulatory agency's first chairman was Joseph Kennedy. It's first regulations included limitations on banks investing in public stock, and requirements of companies to file annual __________ reports to the agency.

The theory of ________________, presented at the University of Chicago by Markowitz, stressed the importance of investing in a variety of sectors of the market rather than investing in just one company, in order to avoid huge loss.

In October 1987 computers were responsible for the biggest single-day drop in the stock exchange's history. The computers were programmed to automatically _____________ stocks when they hit a certain price. This resulted in a 587-point drop for the day. Now a new circuit breaker prevents this.