

Birthdays are momentous occasions and are reason for celebration. So it is with the most heartfelt and joyous wishes on this day, that we celebrate the half-century mark of the NASDAQ -the first electronic stock exchange in the world. The NASDAQ or **N**ational **A**ssociation of **S**ecurities **D**ealers **A**utomated **Q**uotations commenced operations February 9th, 1971, with the goal of improving on the trading system that had been in place for over 300 hundred years. Traditionally, exchanges required a physical location for stockbrokers to meet in order to buy and sell for the dealers they represented. In contrast, the NASDAQ was a network of computers that could transmit bid and ask prices on over 2,400 stocks to dealers directly and in real-time. This eliminated the need for a physical trading floor, narrowed the bid-ask prices which increased Market liquidity and began a move towards the AI-driven algorithmic trading that we know today.



This was all the more impressive, given that computers were still in their relative infancy -Intel microprocessors had a mere 640 bytes of memory at the time. By 1975, the NASDAQ began listing companies backed by venture capitalists, giving rise to what we know as the Initial Public Offering or IPO. This was followed by the emergence of internet-based companies listed on the exchange (unsurprisingly given that the the NASDAQ itself was at the forefront of technological innovation), and the NASDAQ became the first exchange to launch a website calling itself *the stock market for the next hundred years*. Fuelled by investor demand for tech companies, the index rose 400% from 1995 to 2000. This was followed by what's known as the Tech-Wreck and the NASDAQ fell almost 80% and took an agonizing decade-and-a-half to recoup its losses.

Today, the NASDAQ composite index is comprised of three thousand stocks including some of the world's largest such as Apple, Amazon, Microsoft, Facebook and Tesla. Over 70 smaller exchanges use its computerized trading technology. Notably, this pioneering index set a new first in 2016 when Adena Friedman was promoted to Chief Executive, making her the first woman to run a major US stock exchange. For more on the timeline of the NASDAQ click [here](#).



We can only wonder what the next fifty years will look like for the venerable NASDAQ. But like all of us who have managed to reach the half-century mark, it's earned a moment of pause to look-back on all of its accomplishments to-date. Happy Birthday NASDAQ and here's to many more!

Be safe, be well!

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