SALES AND TRADING

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WHAT IS IT?

- The basic products of bank/brokerage are securities
  - Stocks, bonds, options, futures, foreign exchange.

- The customers need to buy and sell securities
  - To raise capital, invest long-term, or manage risk.

- A sales and trading desk
  - Educates customers about the securities and their uses
  - Supplies the customers with market information
  - Makes the trade happen.
PEOPLE WHO SUCCEED IN SALES AND TRADING …

• Know their products
  • The securities available today, and new securities that might be created in the future.

• Know their customers
  • What do they want?
  • How can we add value to their activities?

• Know their markets
  • How do these markets work?
  • How do we execute our customers’ trades at the lowest possible cost?

• Where might you learn these things in the Stern finance curriculum?
The Stern finance courses

Foundations of finance
- Debt instruments
- Equity valuation
- Futures and options

Corporate finance
- Mergers and acquisitions
- Investment banking
KNOW THE MARKETS … HOW ARE SECURITIES ACTUALLY TRADED?

• Every trade has a buyer and seller …
  • But what’s the procedure?

• The price adjusts so that supply=demand …
  • But how?

• What if the price doesn’t adjust?

• What will markets look like next year and beyond?
WHAT DID MARKETS LOOK LIKE IN THE PAST?

• The stock market used to have a well-defined physical presence, a trading floor
  • The New York Stock Exchange
  • The Tokyo Stock Exchange
  • The London Futures Exchange

• Nowadays the market is now a geographically dispersed network.

• In which US state does the highest volume of stock trading occur?
• New York Stock Exchange trading occurs in Mahwah
• NASDAQ: Carteret
• BATS Y and Z: Weehawken
• DirectEdge: Secaucus
• If the market is “virtual” does physical presence matter?
  • Market operations have moved out of Manhattan, but not far, far away.

• Will everything be done by machine?
  • People still need to conceptualize, design, and manage the big picture.

• Does Stern have a course that covers this stuff?
INTERFACE: UNIVERSITY AND INDUSTRY

• NYU Faculty maintain industry and government contacts at all levels in many countries.
• NYU students are immersed in a city and culture of business and finance.
• New York is home to many world-class financial firms.
• Credit Suisse stands out among them.