



RESEARCH

Statistics

Quarterly Report: US Equity & Related, 3Q24

Primary Markets: Equity Capital Formation

Other Investment Banking: M&A and Private Equity

Secondary Markets: Market Performance, Volatility, & Volumes

Published: October 2024

Key Takeaways for 3Q24

Total equity capital formation was \$56.3B, +33.6% Q/Q and +41.7% Y/Y. Total IPOs were \$8.5B, -12.4% Q/Q but +1.0% Y/Y. The IPO quarterly issuance continues to stay well below the three-year pre COVID average (\$11.5B). In the private markets, private equity deal value was \$246.0B for the quarter, +14.4% Q/Q and +36.8% Y/Y.

Markets continue to climb. The S&P 500 index averaged 5,543.47, +5.7% Q/Q and +24.3% Y/Y. All four indexes were up for the quarter and Y/Y, with Y/Y increases ranging from +14.0% (Russell 2000) to +27.8% (Nasdaq). YTD, equity market cap stood at \$57.7T (+4.4% to where it finished last year) and the number of listed companies was 5,499 (-1.4% to end last year).

The VIX averaged 17.07 in the quarter, +22.1% Q/Q and +13.7% Y/Y. on a Q/Q basis, ADV was down slightly in equities but up for ETFs and options. Equity ADV was 11.5B shares, -2.2% Q/Q but +10.2% Y/Y. ETF ADV was 2.3B shares, +12.1% Q/Q and +18.3% Y/Y. Options ADV was 48.7 contracts, +5.6% Q/Q and +12.3% Y/Y, the highest quarterly volume on record.

Contents

Executive Summary.....	4
Quarter & Annual Highlights.....	4
Primary Markets: US Equity Capital Formation	5
US Equity Capital Formation: Review of Quarterly Issuance	5
US Equity Capital Formation: Monthly Issuance Trends.....	8
US Equity Capital Formation: YTD Issuance Update.....	10
Other Investment Banking: M&A and Private Equity.....	12
Other Investment Banking: Review of Quarterly Deals	12
Other Investment Banking: Monthly Deal Trends	13
Other Investment Banking: YTD Deal Update.....	13
Secondary Markets: US Equity Market Performance, Volatility, and Volumes	14
US Equity Market Performance: Review of Quarterly Index Prices (Averages).....	14
US Equity Market Performance: Monthly Index Price Trends (Averages).....	16
US Equity Market Performance: YTD Index Price Update (Averages).....	17
Volatility Trends: Average VIX.....	18
US Equity Volumes: Review of Quarterly ADV.....	19
US Equity Exchanges: Quarterly Market Share.....	20
US Equity Volumes: Monthly ADV Trends	21
US Equity Volumes: YTD ADV Update.....	22
US ETF Volumes: Review of Quarterly ADV.....	23
US ETF Exchange & Sponsor: Quarterly Market Share.....	24
US ETF Volumes: Monthly ADV Trends	25
US ETF Volumes: YTD ADV Trends	25
US Options Volumes: Review of Quarterly ADV	26
US Options Exchanges: Quarterly Market Share	27
US Options Volumes: Monthly ADV Trends.....	28
US Options Volumes: YTD ADV Update.....	28
Appendix: Historical Trends	29
US Equity Capital Formation.....	29
Market Performance.....	33
Volatility & Volumes.....	35
Appendix: Exchange Landscape	37
US Equities.....	37
US Options	38

Appendix: Definitions & Purpose 39

Appendix: Capital Markets Terms to Know 41

Appendix: SIFMA Research Reports 46

Authors 47

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:

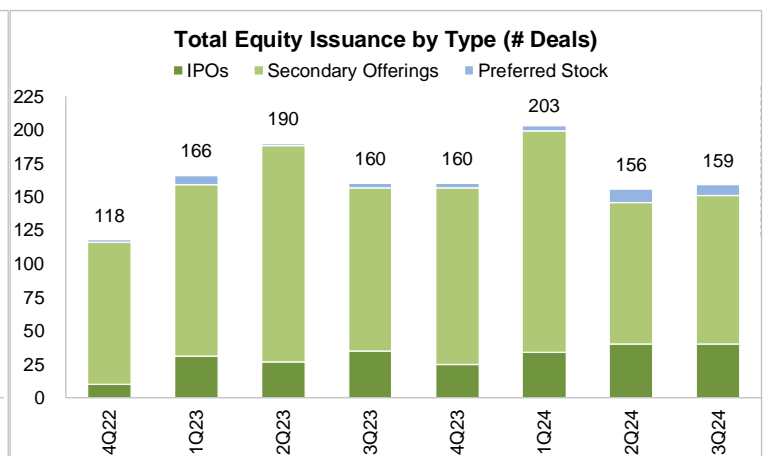
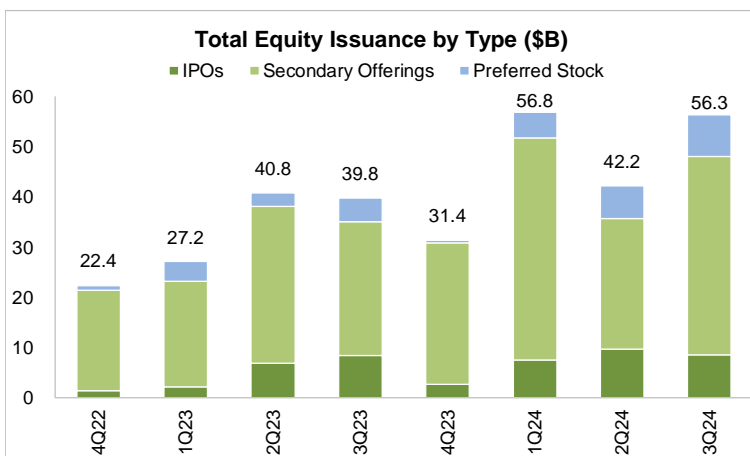
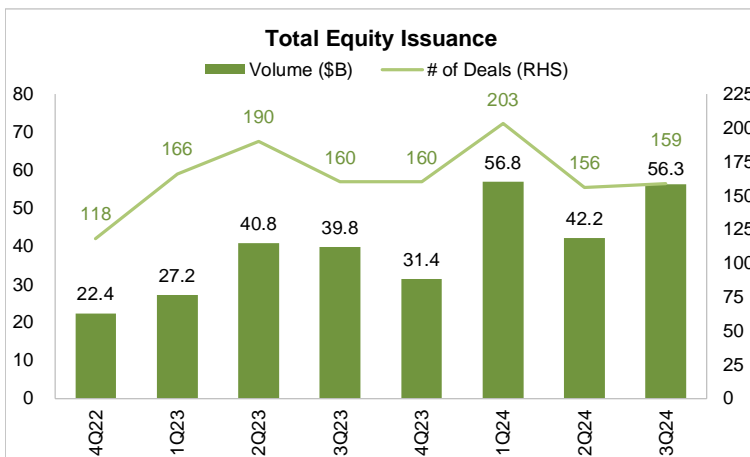
	3Q24	2Q24	3Q23	Q/Q	Y/Y	YTD 2024	YTD 2023	Y/Y
Primary Markets (Issuance \$B)								
Total Equity (ex-SPACs)	56.3	42.2	39.8	33.6%	41.7%	155.3	107.7	44.3%
Secondaries	39.5	26.0	26.6	51.7%	48.5%	109.8	79.0	39.1%
Preferreds	8.3	6.4	4.7	29.8%	75.7%	19.7	11.2	76.6%
IPOs	8.5	9.7	8.4	-12.4%	1.0%	25.8	17.5	47.1%
SPACs	3.3	1.8	0.8	80.1%	299.8%	5.8	2.8	107.4%
Other Investment Banking (\$B)								
M&A	289.7	404.8	361.7	-28.4%	-19.9%	978.3	906.1	8.0%
Private Equity	246.0	215.0	179.9	14.4%	36.8%	650.2	526.9	23.4%
Secondary Markets								
Market Performance (Price)								
S&P 500	5,543.47	5,246.63	4,458.14	5.7%	24.3%	5,265.24	4,222.69	24.7%
Nasdaq	17,610.61	16,621.27	13,783.92	6.0%	27.8%	16,656.56	12,653.45	31.6%
DJIA	40,602.32	38,807.05	34,669.48	4.6%	17.1%	39,324.24	33,848.14	16.2%
Russell 2000	2,155.99	2,037.64	1,891.74	5.8%	14.0%	2,069.70	1,848.85	11.9%
Volatility & Volumes								
VIX (Price)	17.07	13.98	15.01	22.1%	13.7%	14.94	17.37	-14.0%
Equity ADV (B shares)	11.5	11.8	10.4	-2.2%	10.2%	11.7	11.0	6.2%
ETF ADV (B shares)	2.3	2.1	2.0	12.1%	18.3%	2.3	2.2	3.3%
Options ADV (M contracts)	48.7	46.1	43.4	5.6%	12.3%	46.8	44.5	5.1%

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

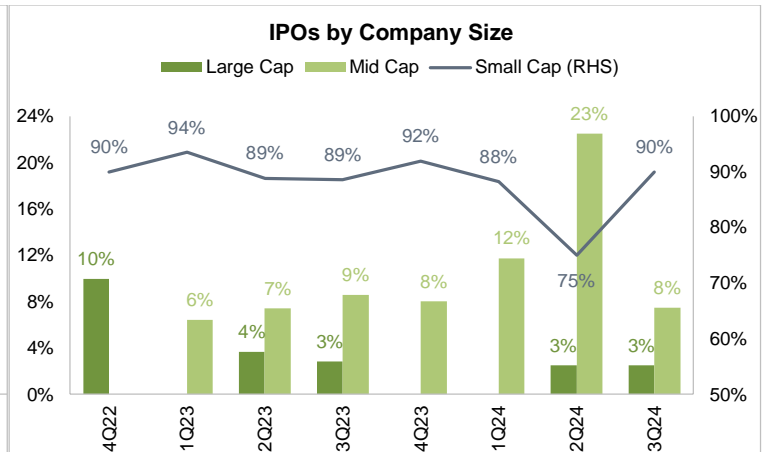
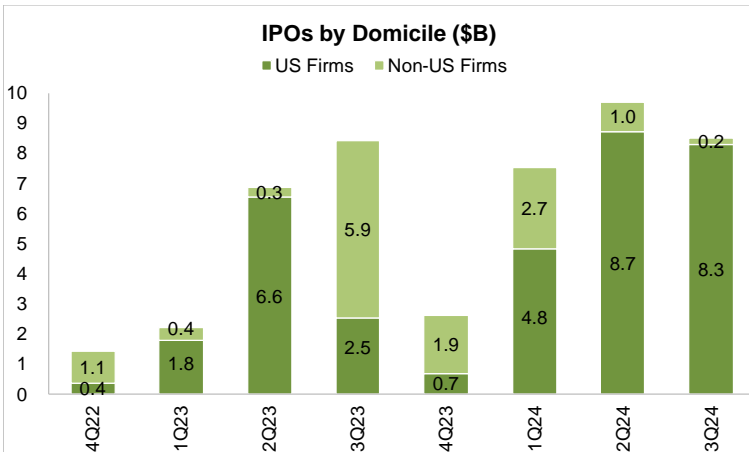
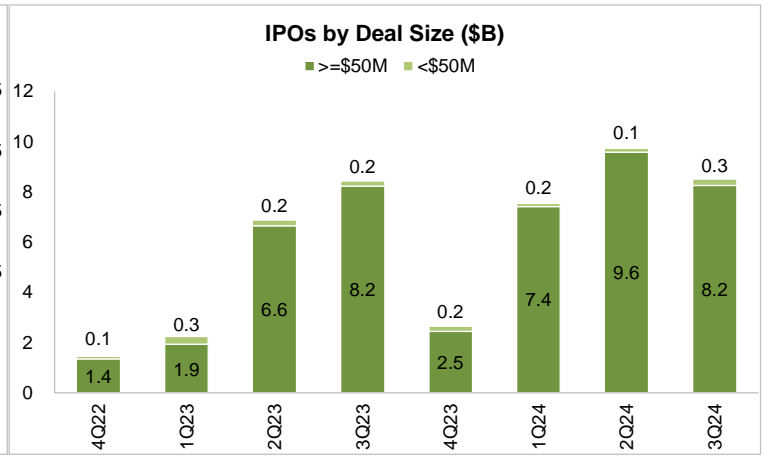
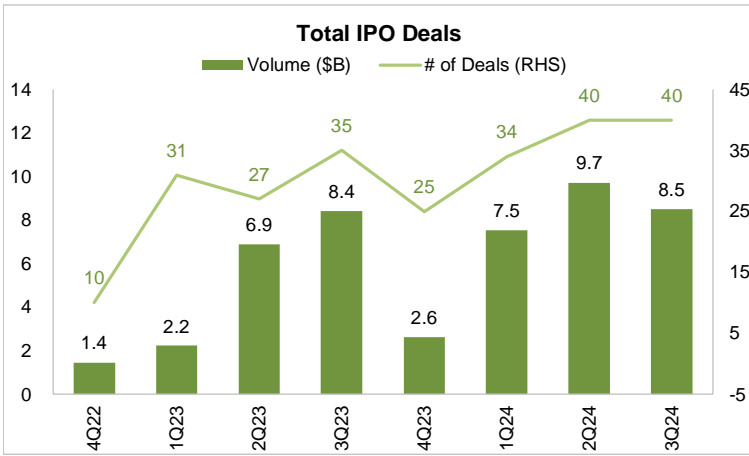
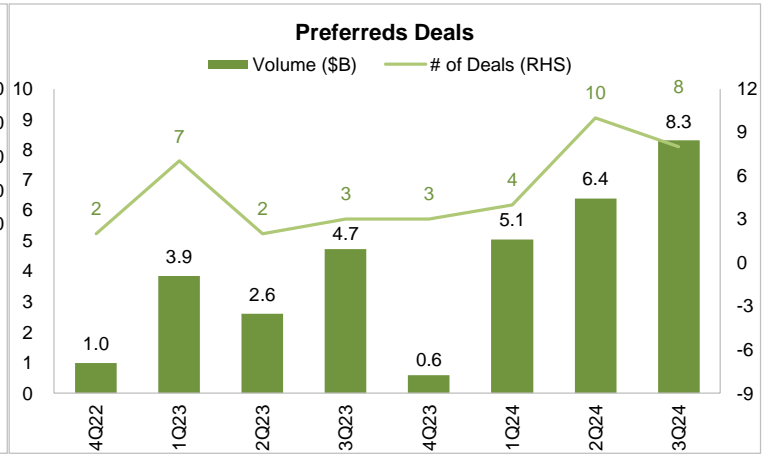
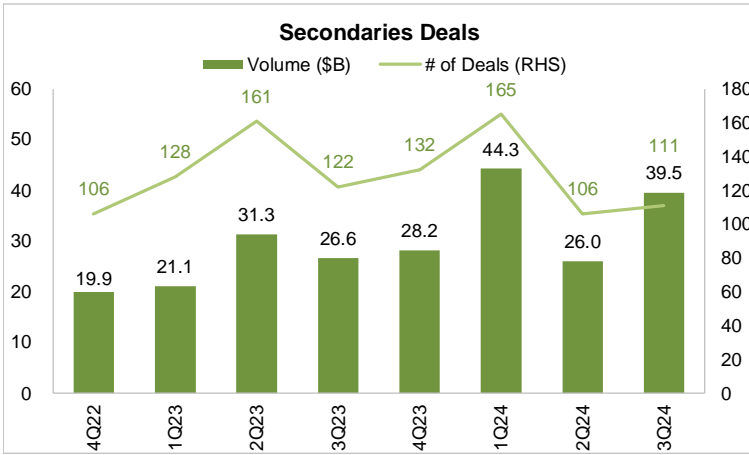
- Total (excluding SPACs): \$56.3B; +33.6% Q/Q, +41.7% Y/Y
- Secondaries: \$39.5B; +51.7% Q/Q, +48.5% Y/Y
- Preferreds: \$8.3B; +29.8% Q/Q, +75.7% Y/Y
- IPOs: \$8.5B; -12.4% Q/Q, +1.0% Y/Y
- SPACs: \$3.3B; +80.1% Q/Q, +299.8% Y/Y



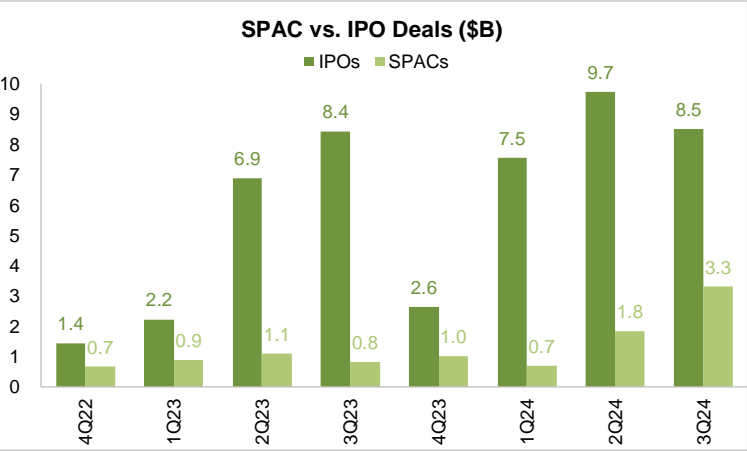
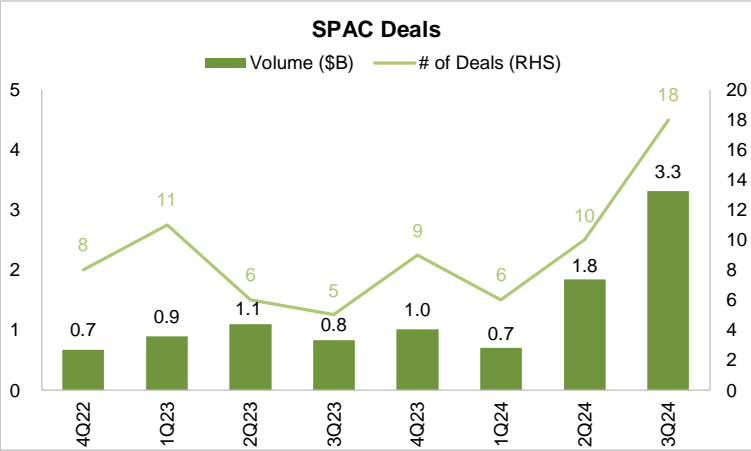
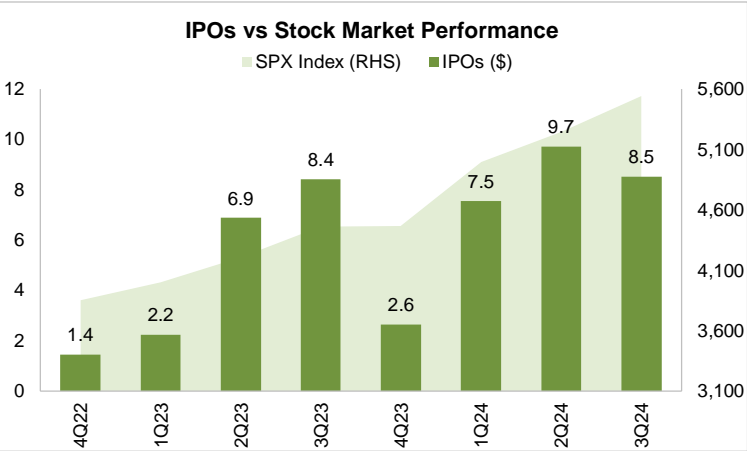
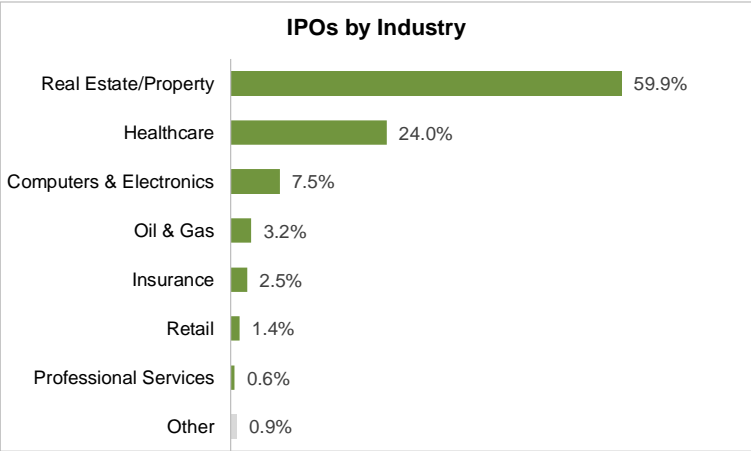
Source: Dealogic, SIFMA estimates

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

Primary Markets: US Equity Capital Formation



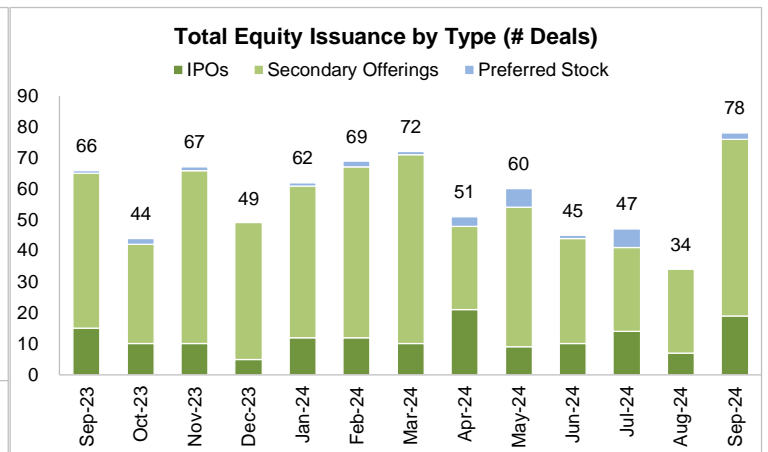
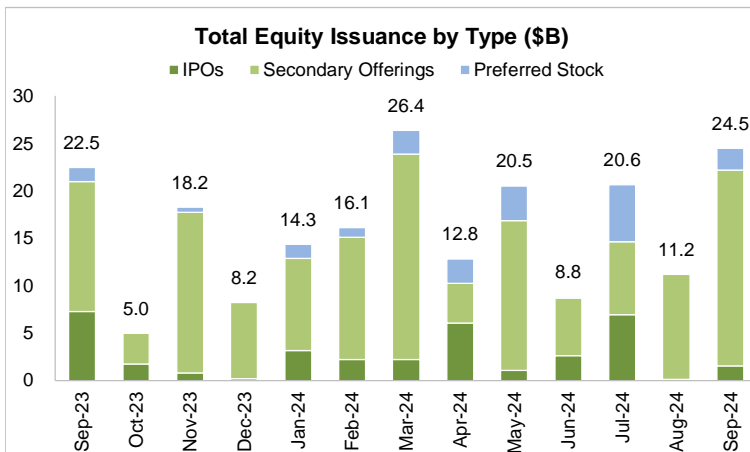
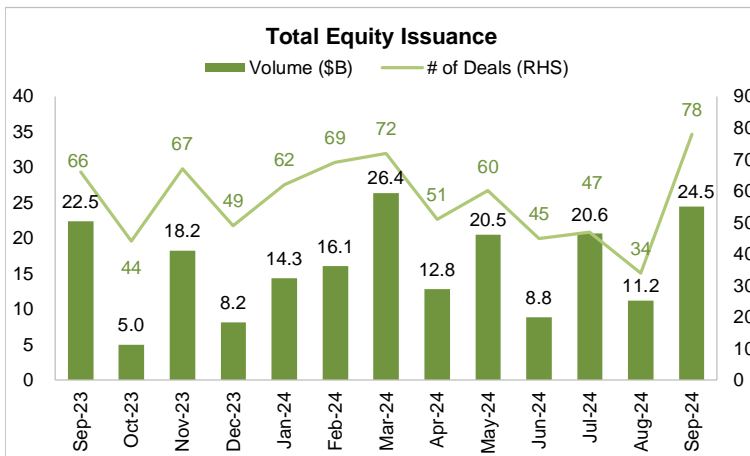
Primary Markets: US Equity Capital Formation



Source: Dealogic, SIFMA estimates

US Equity Capital Formation: Monthly Issuance Trends

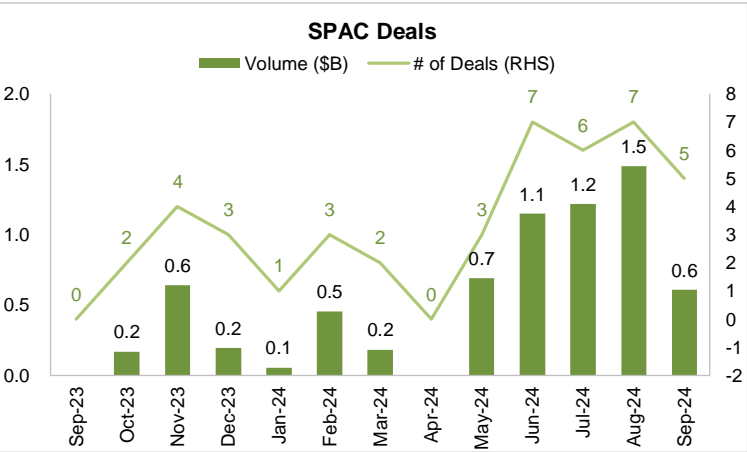
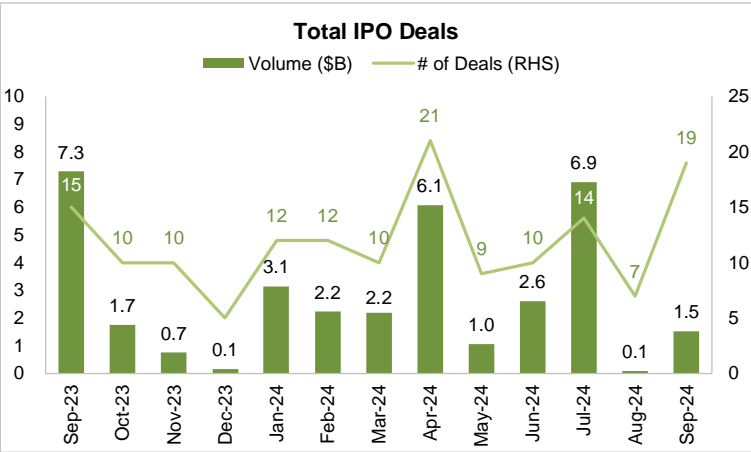
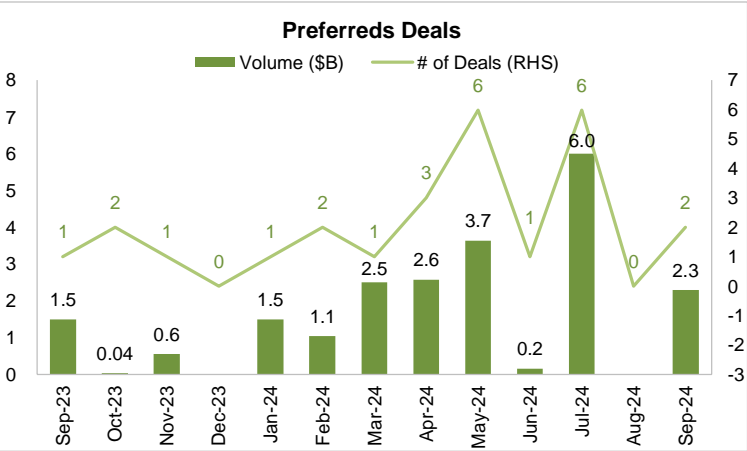
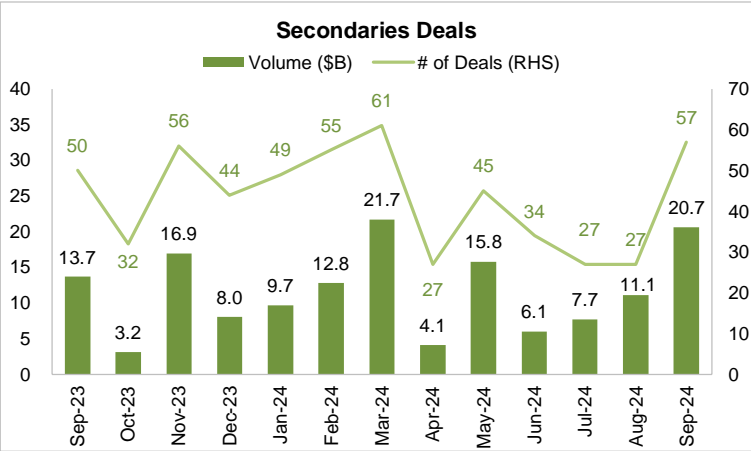
- Total (excluding SPACs): \$24.5B, +118.6% M/M, +9.0% Y/Y
- Secondaries: \$20.7B, +85.9% M/M, +51.0% Y/Y
- Preferreds: \$2.3B, up from \$0 M/M, 53.3 Y/Y
- IPOs: \$1.5B, +1,581.3% M/M, -79.1% Y/Y
- SPACs: \$0.6B, -59.1% M/M, up from \$0 Y/Y



Source: Dealogic, SIFMA estimates

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

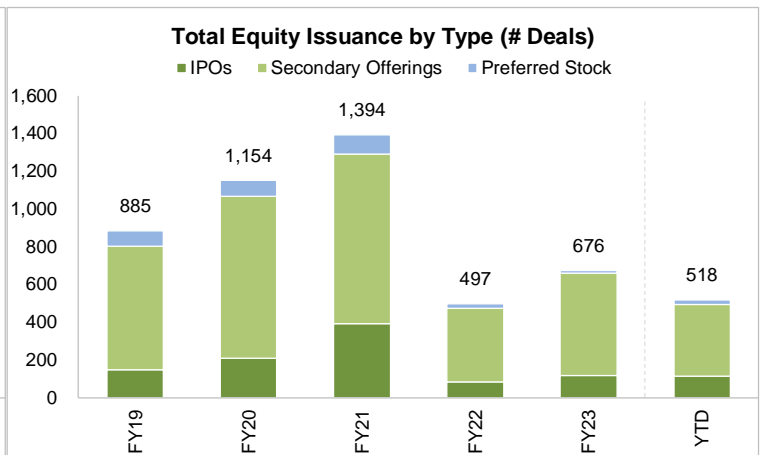
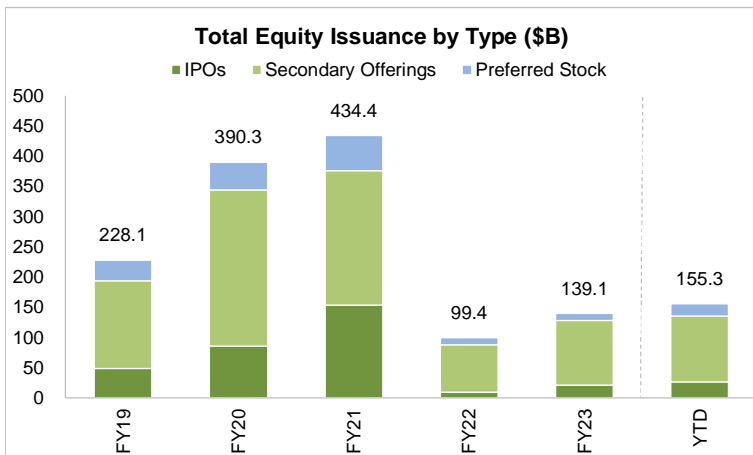
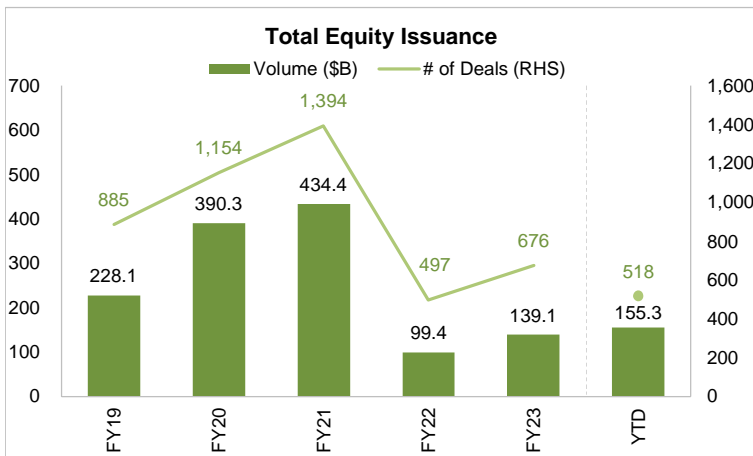
Primary Markets: US Equity Capital Formation



Source: Dealogic, SIFMA estimates

US Equity Capital Formation: YTD Issuance Update

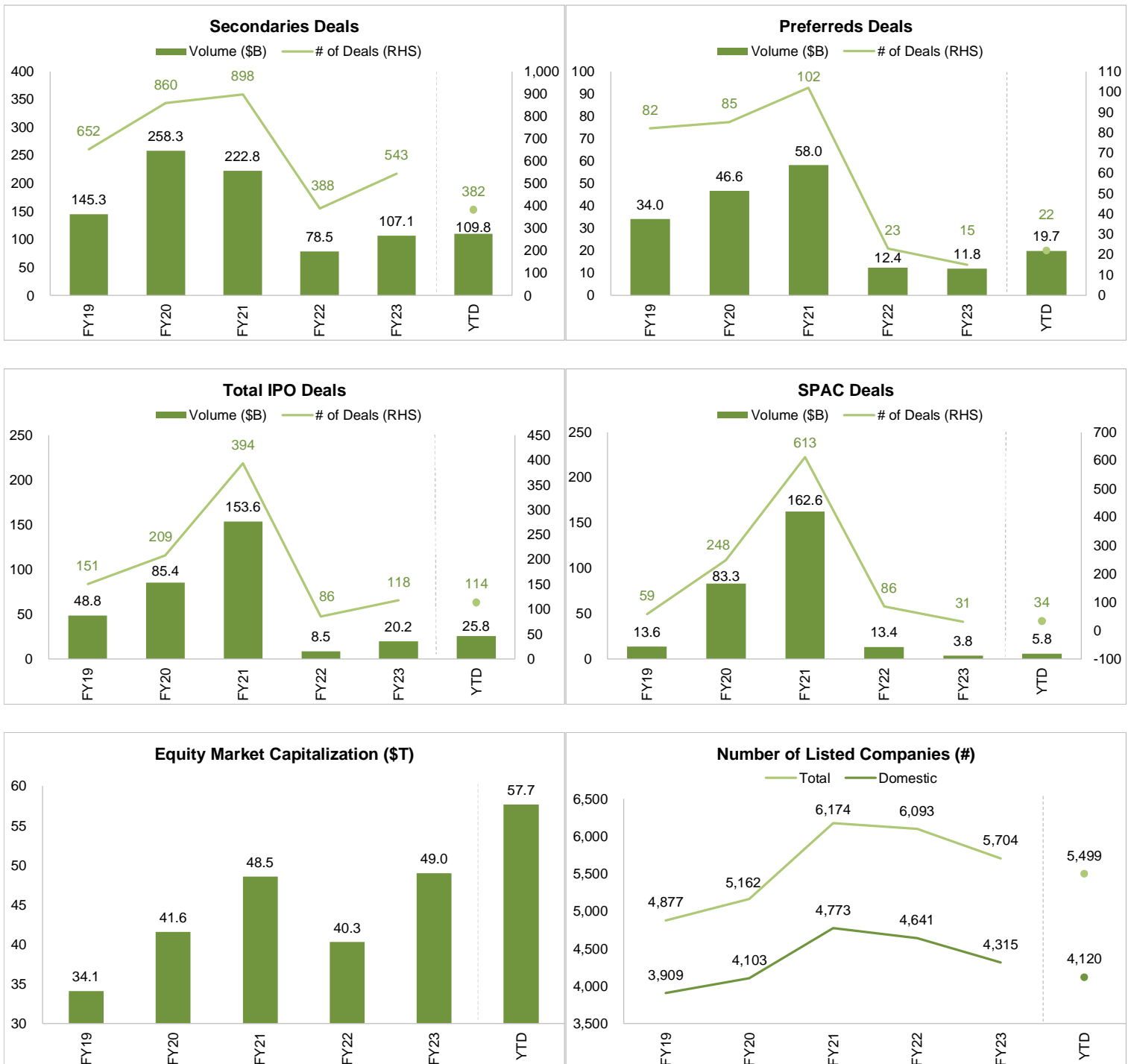
- Total (excluding SPACs): \$155.3B, +44.3% Y/Y
- Secondaries: \$109.8B, +39.1% Y/Y
- Preferreds: \$19.7B, +76.6% Y/Y
- IPOs: \$25.8B, +47.1% Y/Y
- SPACs: \$5.8B, +107.4% Y/Y



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

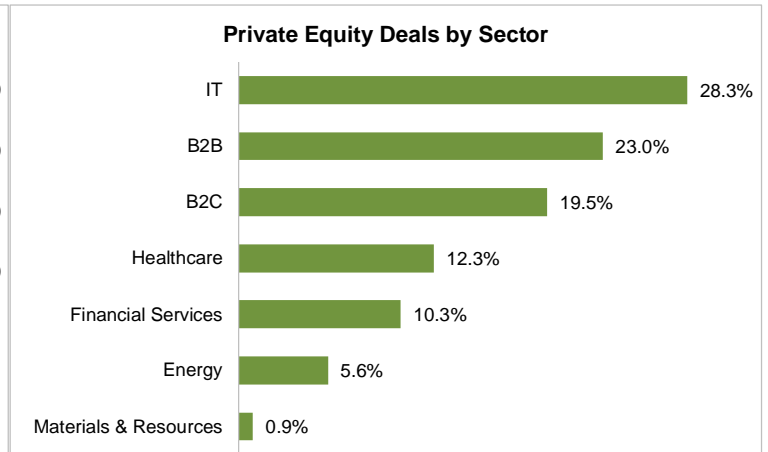
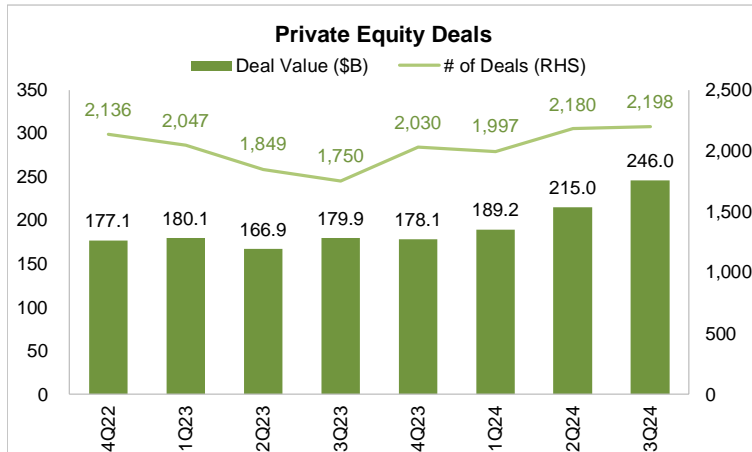
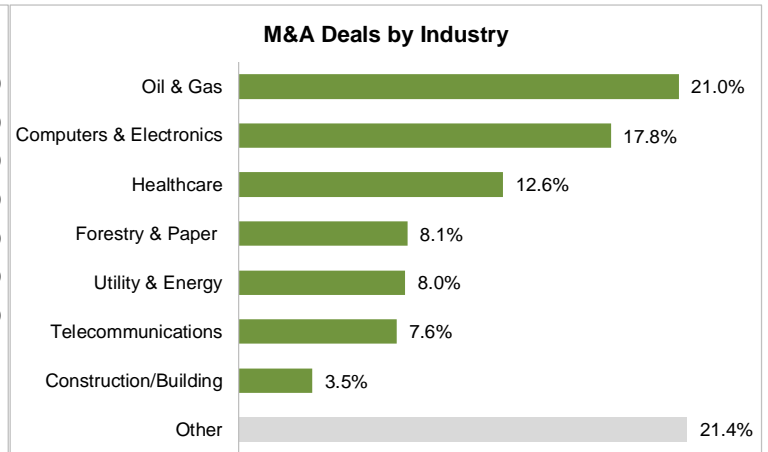
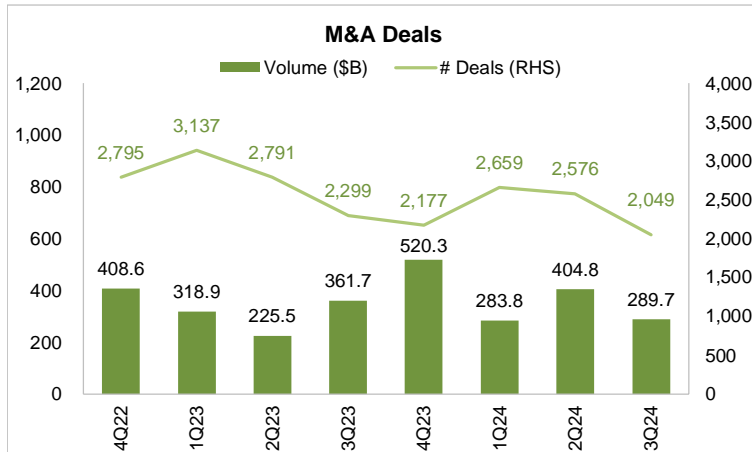


Source: Dealogic, World Federation of Exchanges, SIFMA estimates
 Note: YTD market capitalization and number of listed companies' data as of August 2024

Other Investment Banking: M&A and Private Equity

Other Investment Banking: Review of Quarterly Deals

- M&A: \$289.7B; -28.4% Q/Q, -19.9% Y/Y
- Private equity: \$246.0B; +14.4% Q/Q, +36.8% Y/Y

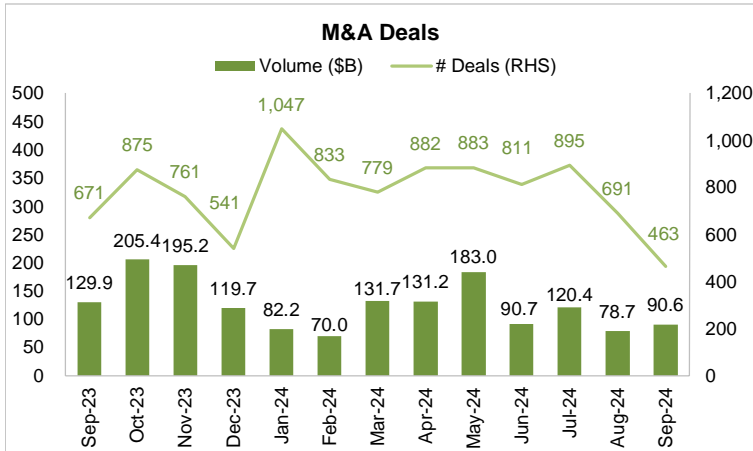


Source: Dealogic, Pitchbook, SIFMA estimates

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

Other Investment Banking: Monthly Deal Trends

- M&A: \$90.6B; +15.2% M/M, -30.2% Y/Y

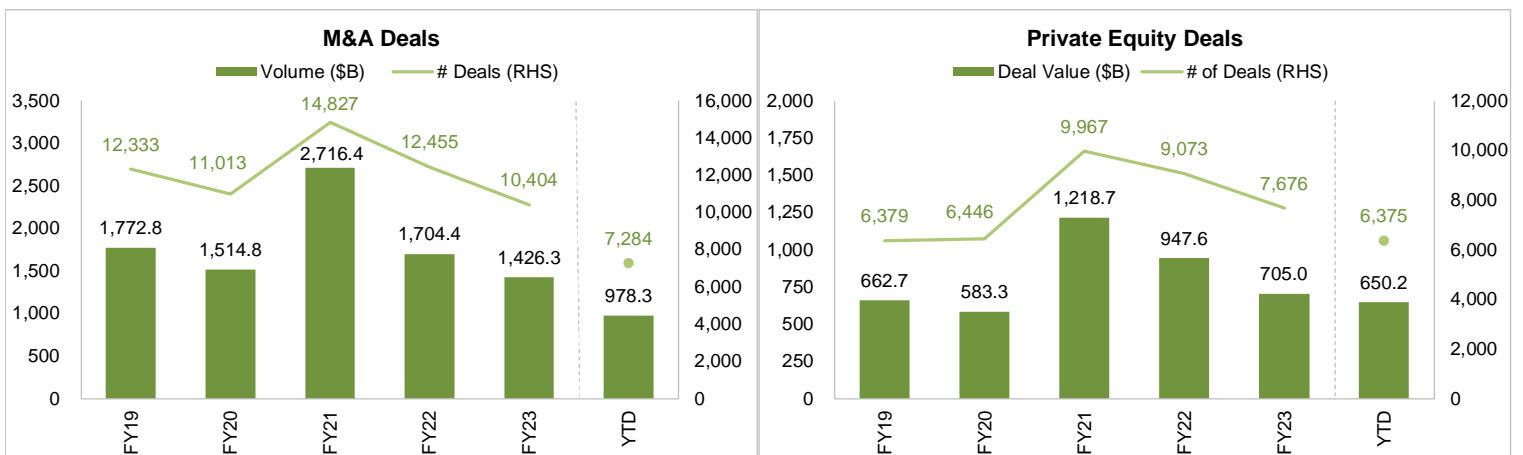


Source: Dealogic, SIFMA estimates

Note: Private equity data not available on monthly basis

Other Investment Banking: YTD Deal Update

- M&A: \$978.3B, +8.0% Y/Y
- Private equity: \$650.2B, +23.4% Y/Y

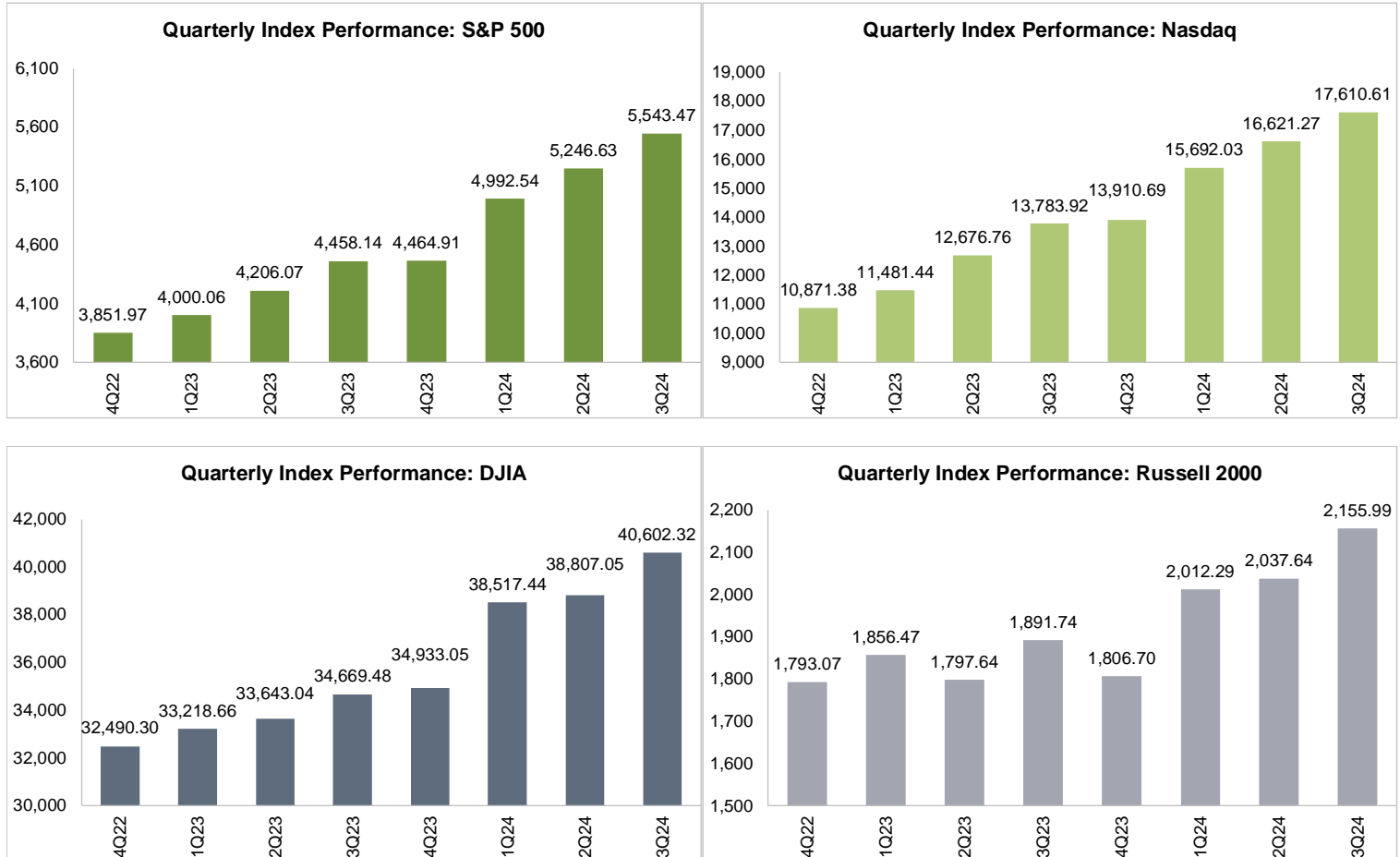


Source: Dealogic, SIFMA estimates

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

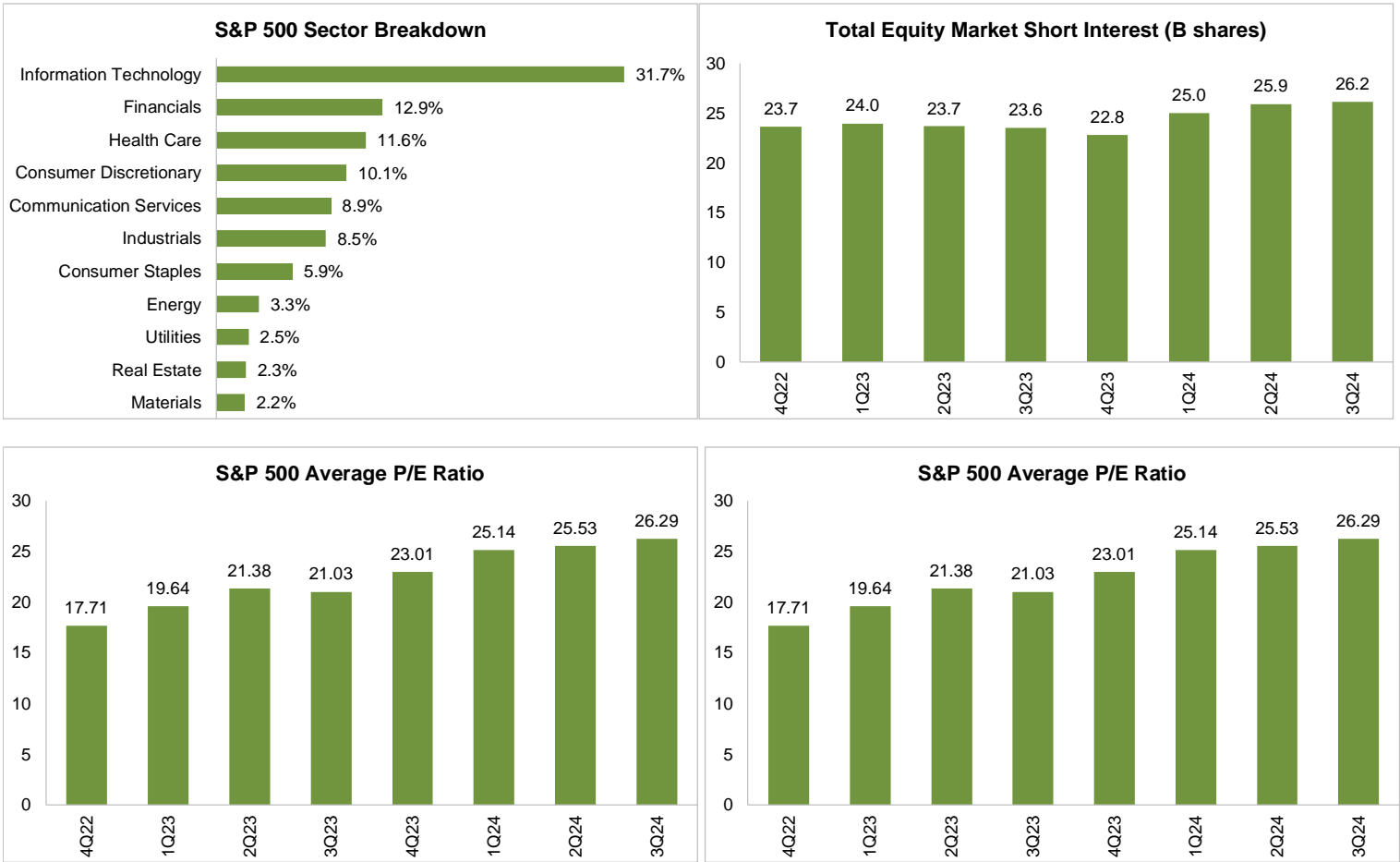
US Equity Market Performance: Review of Quarterly Index Prices (Averages)

- S&P 500: \$5,543.47; +5.7% Q/Q, +24.3% Y/Y
 - Top sector breakout: technology 31.7%, financials 12.9%, health care 11.6%
 - Short interest: 26.2B shares
 - P/E ratio: 26.29x
- Nasdaq: \$17,610.61; +6.0% Q/Q, +27.8% Y/Y
- DJIA: \$40,602.32; +4.6% Q/Q, +17.1% Y/Y
- Russell 2000: \$2,155.99; +5.8% Q/Q, +14.0% Y/Y



Source: Bloomberg, SIFMA estimates

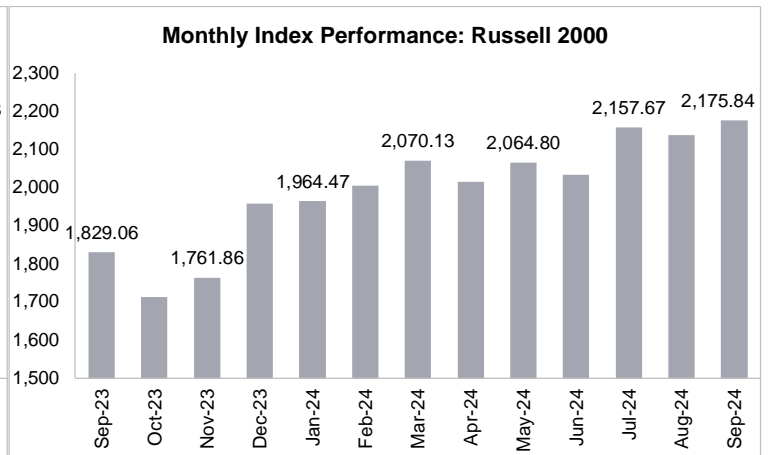
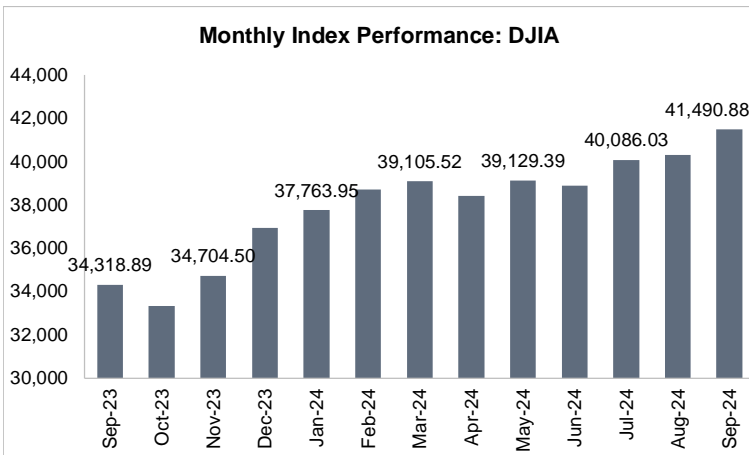
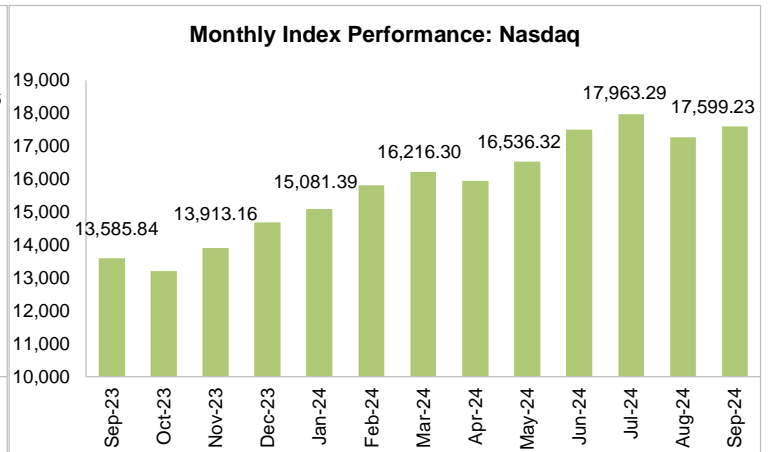
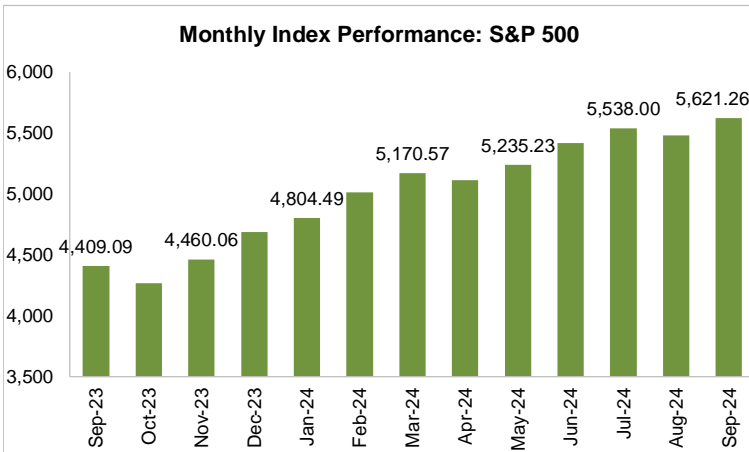
Secondary Markets: US Equity Market Performance, Volatility, and Volumes



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

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

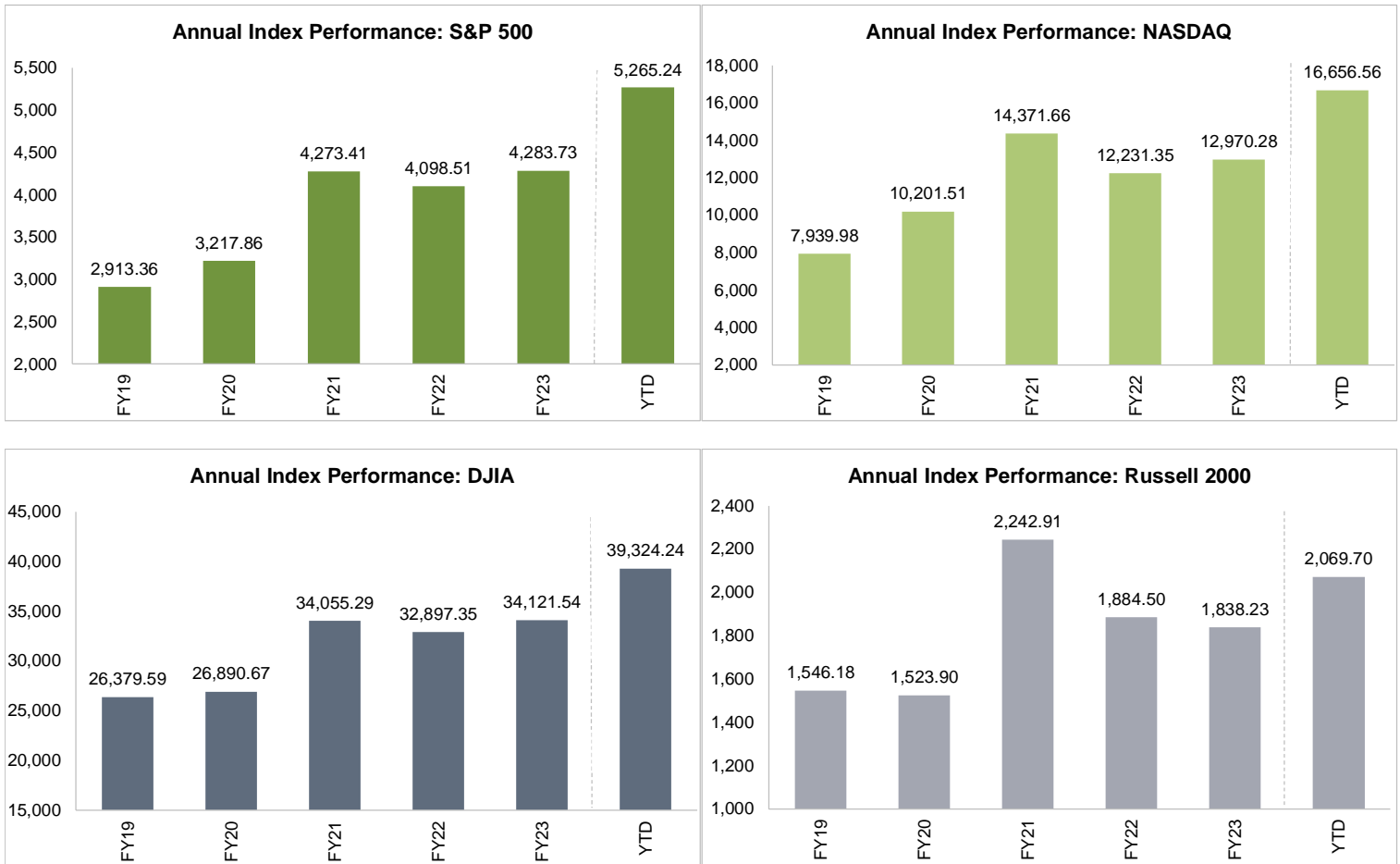
- S&P 500: \$5,621.26; +2.6% M/M, +27.5% Y/Y
- Nasdaq: \$17,599.23; +1.9% M/M, +29.5% Y/Y
- DJIA: \$41,490.88; +2.9% M/M, +20.9% Y/Y
- Russell 2000: \$2,175.84; +1.9% M/M, +19.0% Y/Y



Source: Bloomberg, SIFMA estimates

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

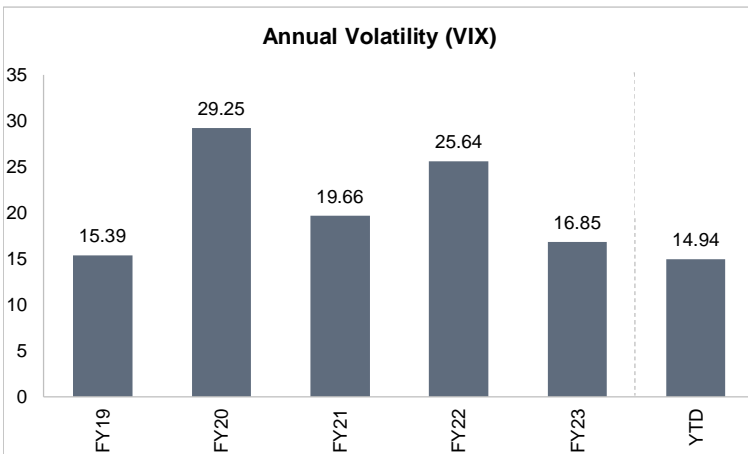
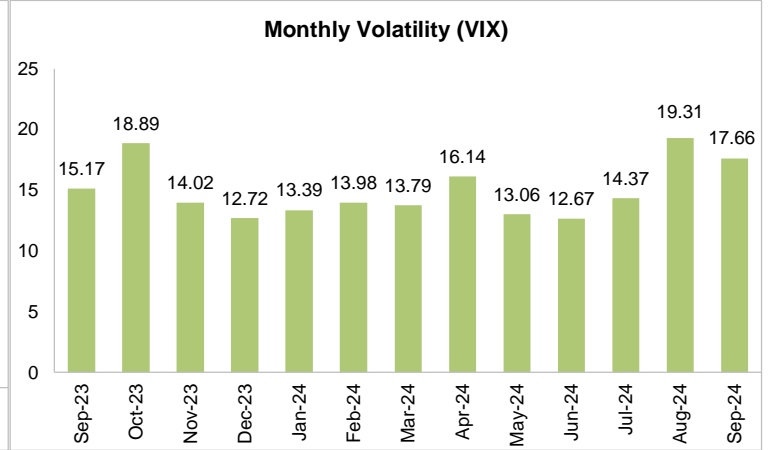
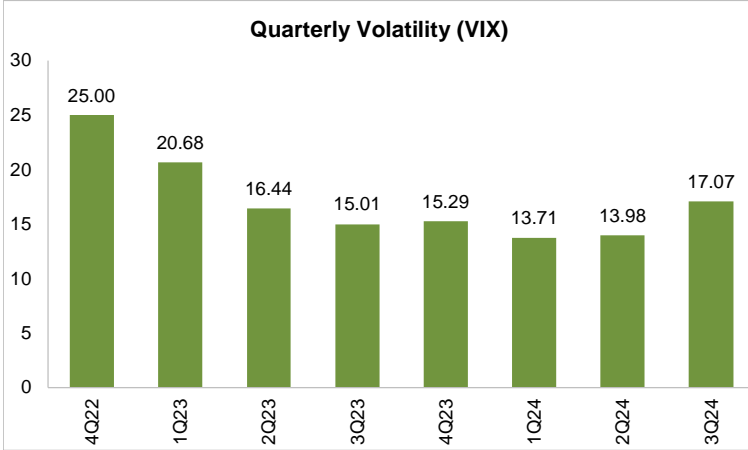
- S&P 500: \$5,265.24, +24.7% Y/Y
- Nasdaq: \$16,656.56, +31.6% Y/Y
- DJIA: \$39,324.24, +16.2% Y/Y
- Russell 2000: \$2,069.70, +11.9% Y/Y



Source: Bloomberg, SIFMA estimates

Volatility Trends: Average VIX

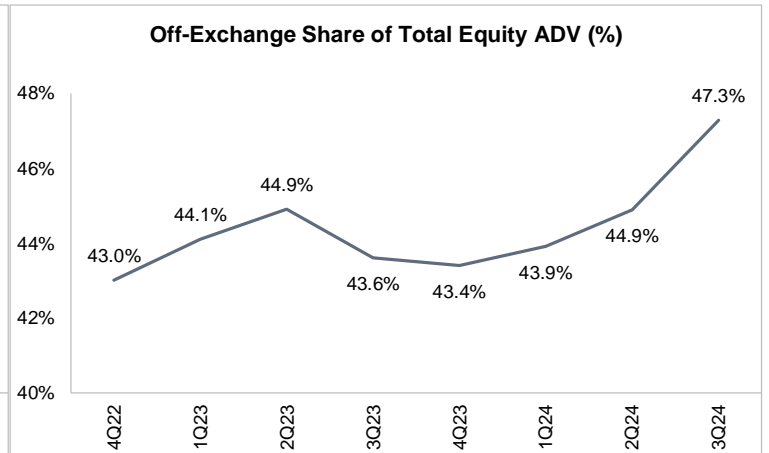
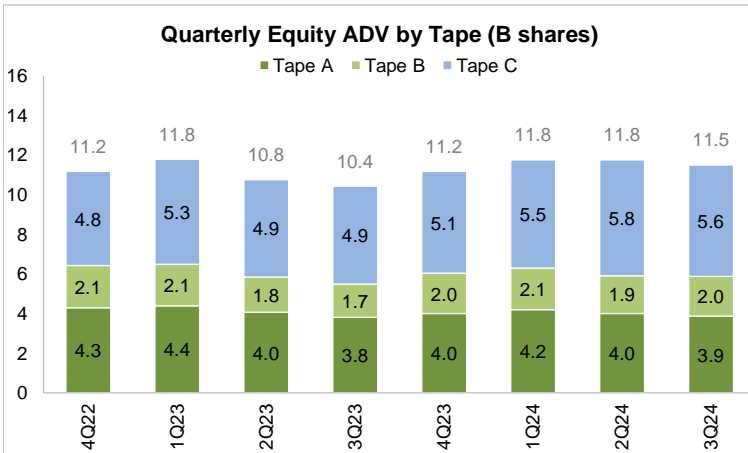
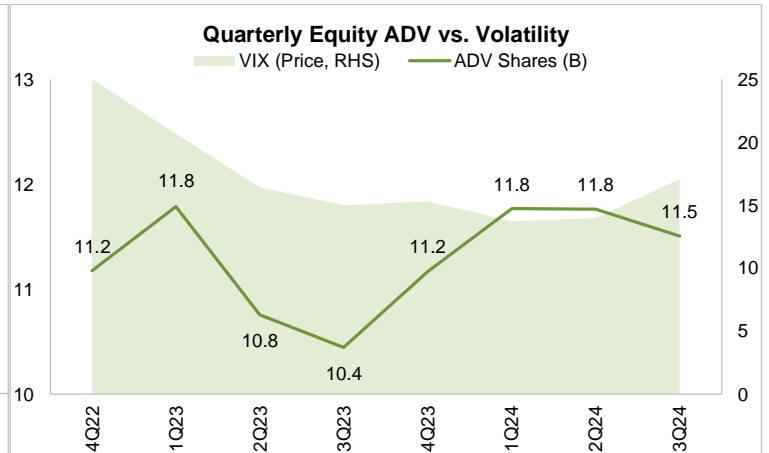
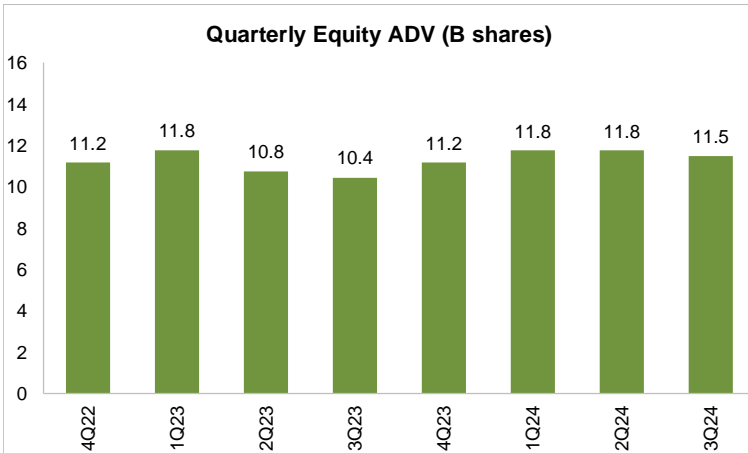
- Quarter: 17.07; +22.1% Q/Q, +13.7% Y/Y
- Final Month: 17.66; -8.5% M/M, +16.4% Y/Y
- YTD: 14.94; -14.0% Y/Y



Source: Bloomberg, SIFMA estimates

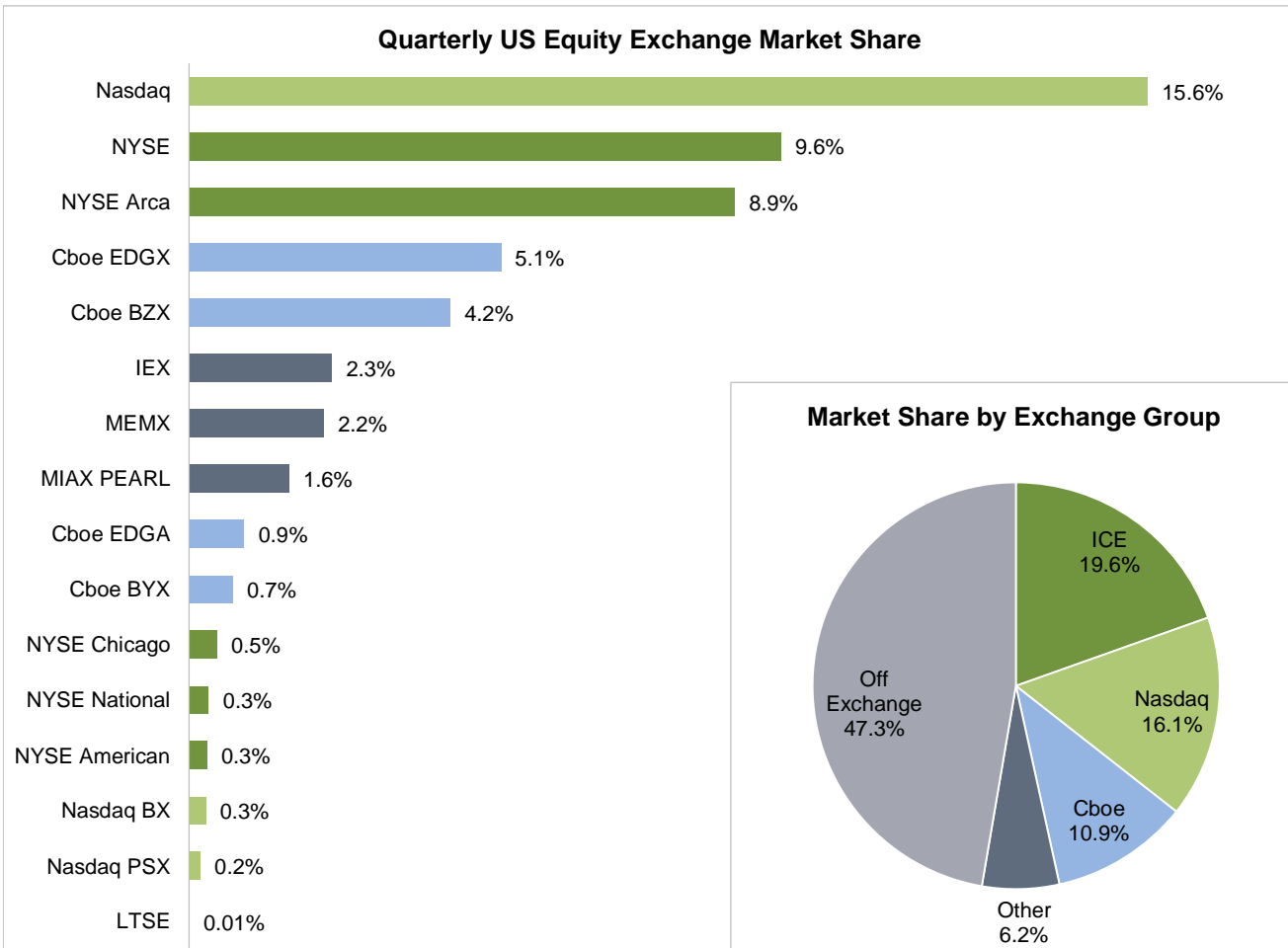
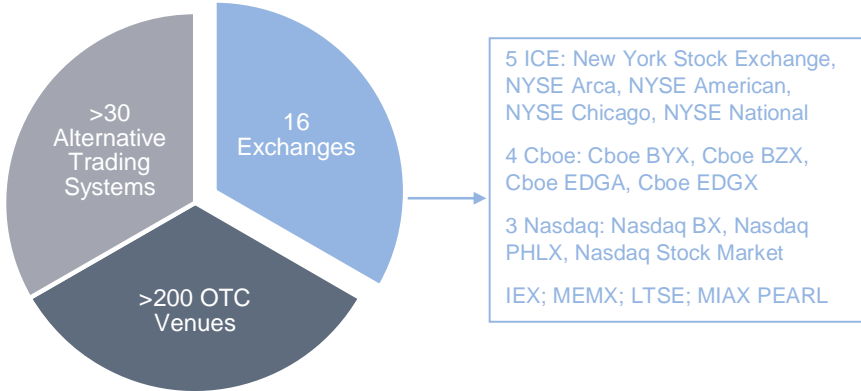
US Equity Volumes: Review of Quarterly ADV

- Equity ADV: 11.5B shares; -2.2% Q/Q, +10.2% Y/Y
- Off-exchange trading: 47.3%; +2.4 pps Q/Q, +3.7 pps Y/Y



Source: Bloomberg, Cboe Global Markets, SIFMA estimates

US Equity Exchanges: Quarterly Market Share

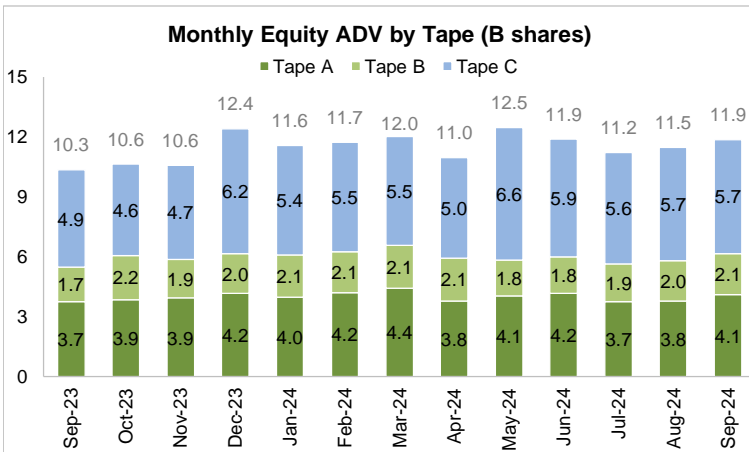
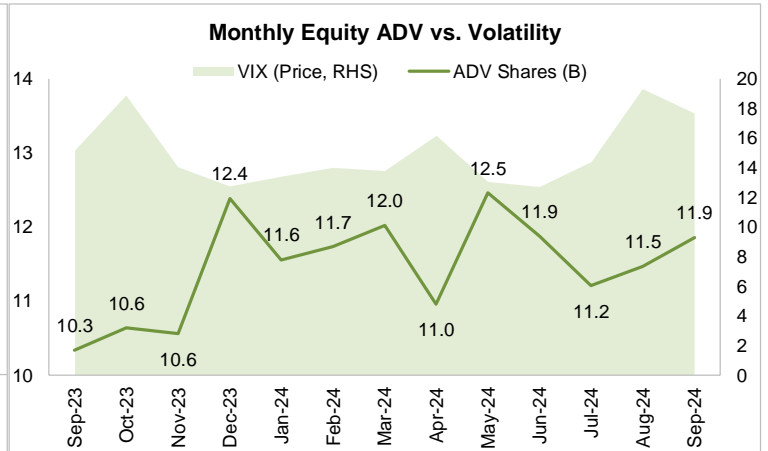
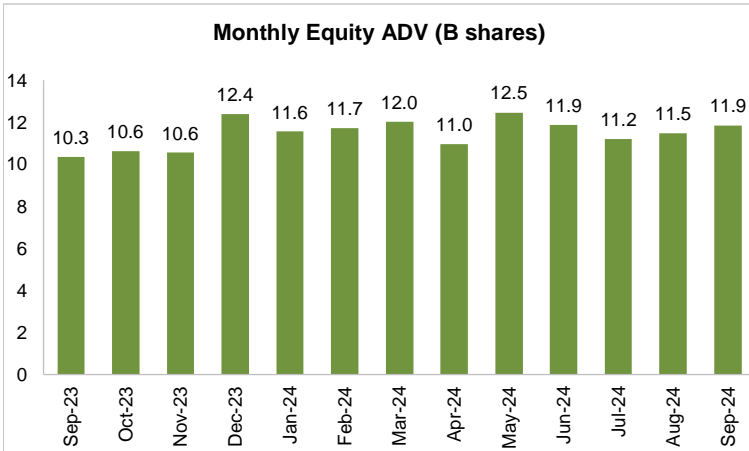


Source: Cboe Global Markets, FINRA, SIFMA estimates

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: 11.9B shares; +3.4% M/M, +14.7% Y/Y

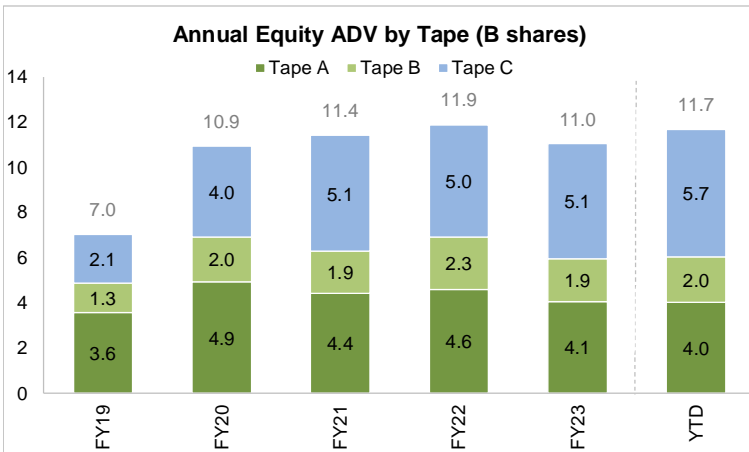
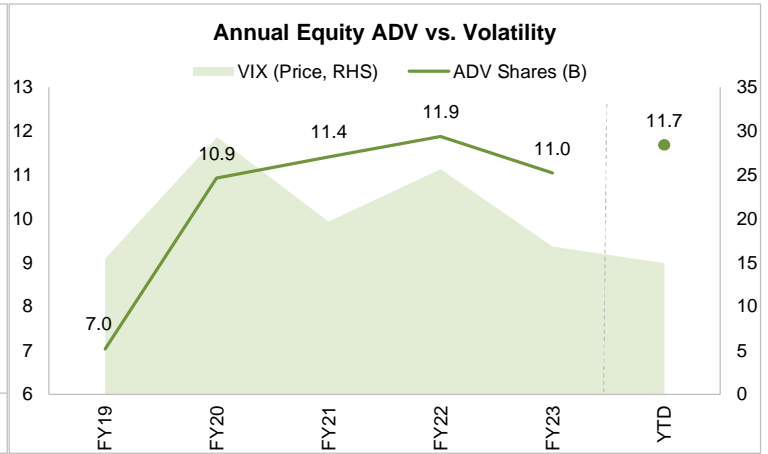
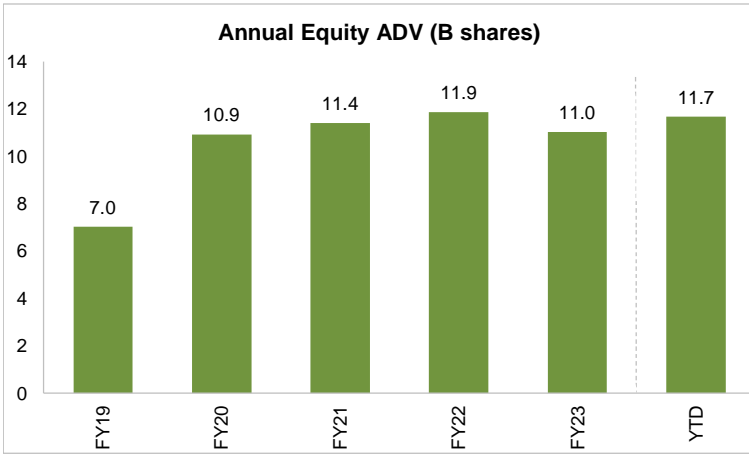


Source: Bloomberg, Cboe Global Markets, SIFMA estimates

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

US Equity Volumes: YTD ADV Update

- Equity ADV: 11.7B shares, +6.2% Y/Y

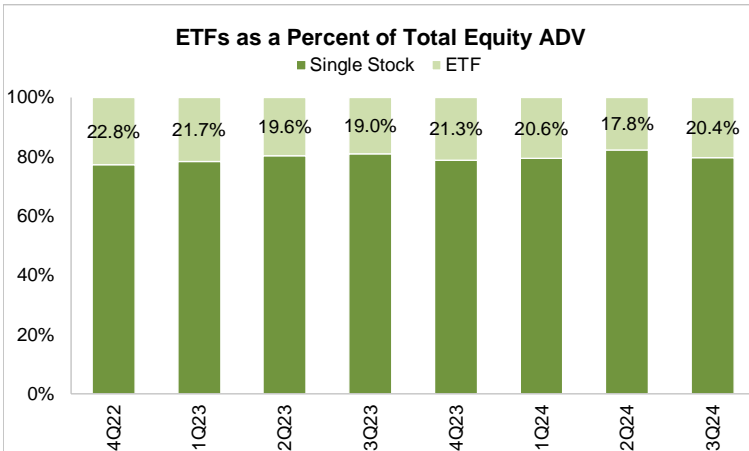
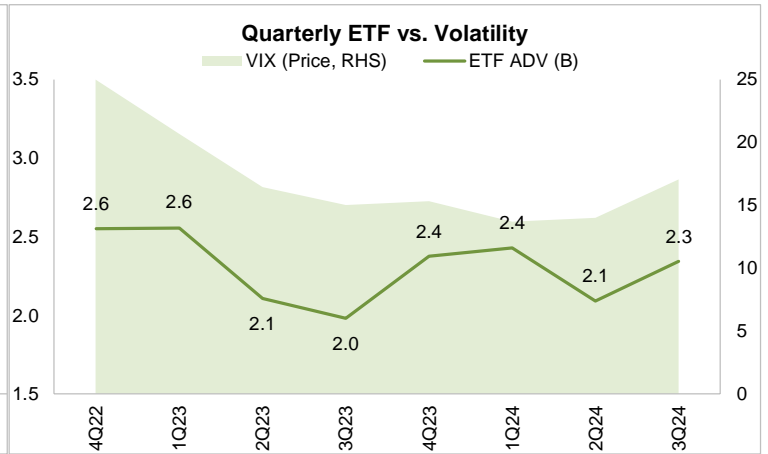
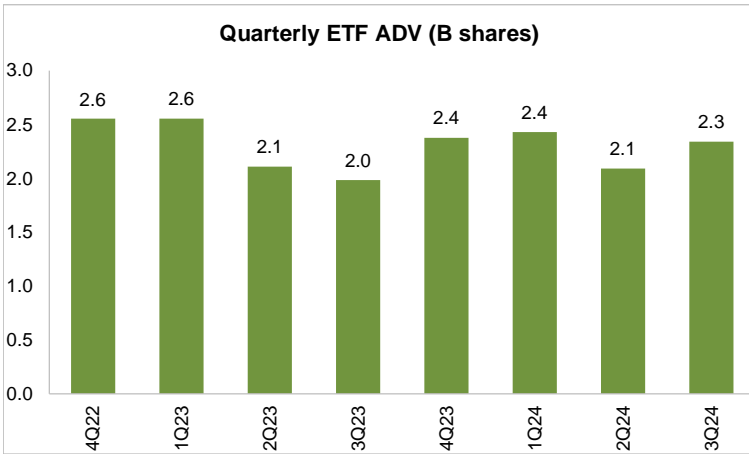


Source: Cboe Global Markets, SIFMA estimates

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

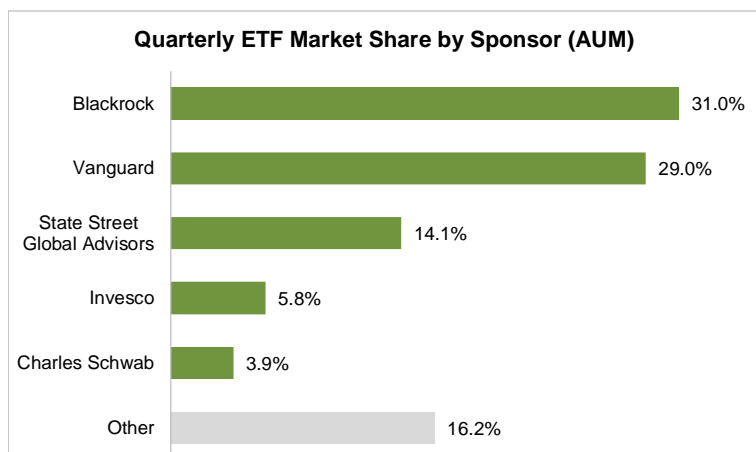
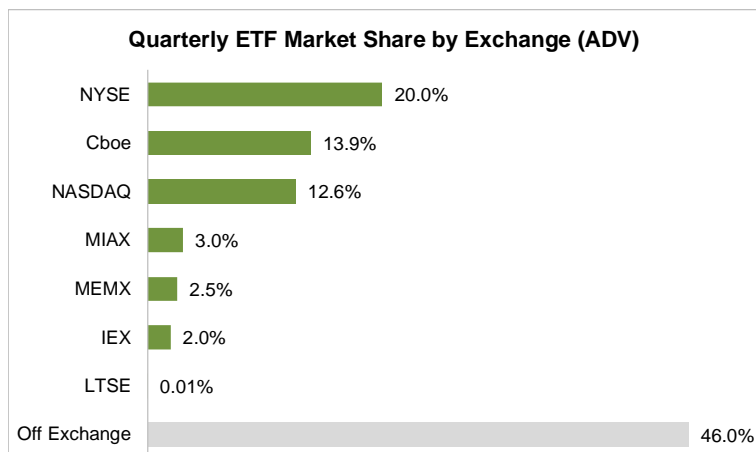
US ETF Volumes: Review of Quarterly ADV

- ETF ADV: 2.3B shares; +12.1% Q/Q, +18.3% Y/Y
- ETF as a percent of total equity volumes: 20.4%; +2.6 pps Q/Q, +1.4 pps Y/Y



Source: Bloomberg, Cboe Global Markets, SIFMA estimates

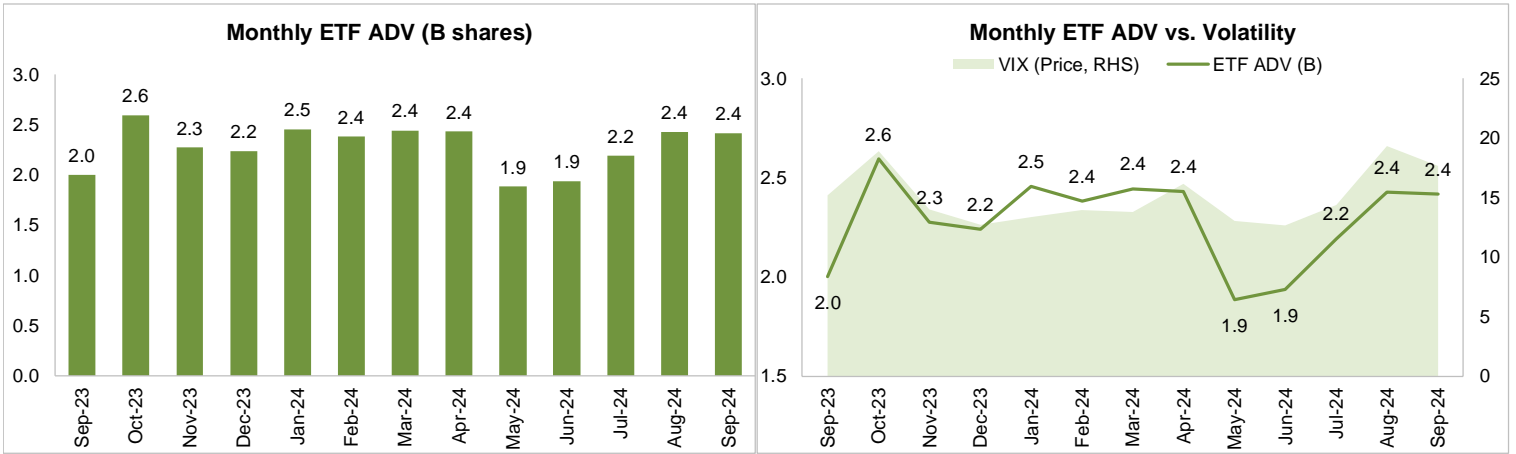
US ETF Exchange & Sponsor: Quarterly Market Share



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

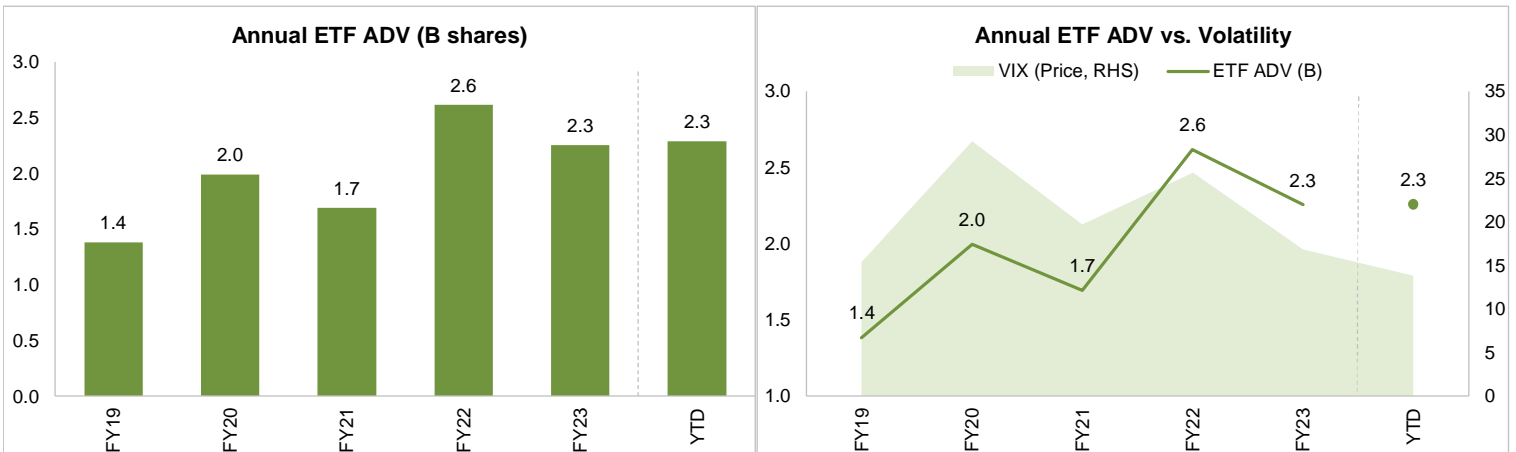
US ETF Volumes: Monthly ADV Trends

- ETF: 2.4B shares; -0.5% M/M, +20.8% Y/Y



US ETF Volumes: YTD ADV Trends

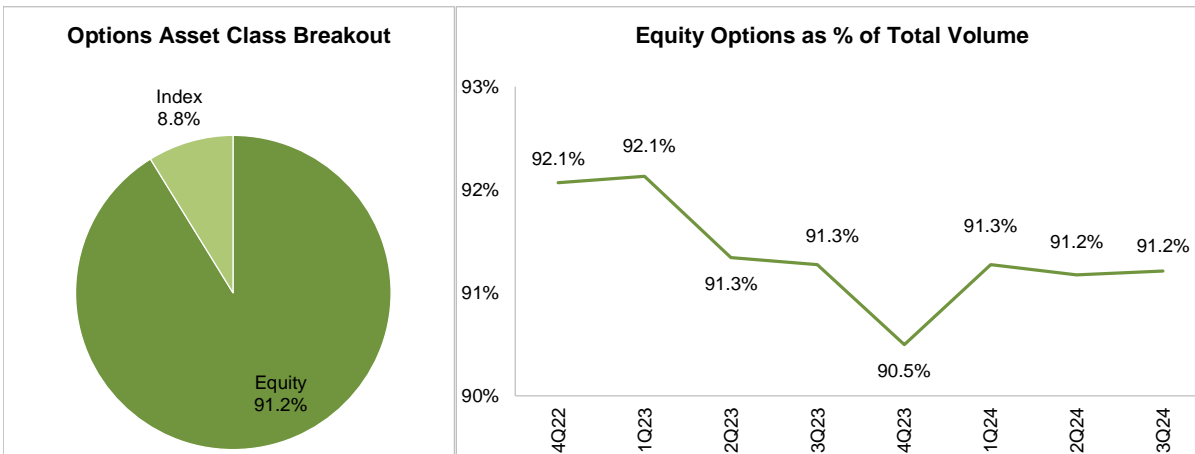
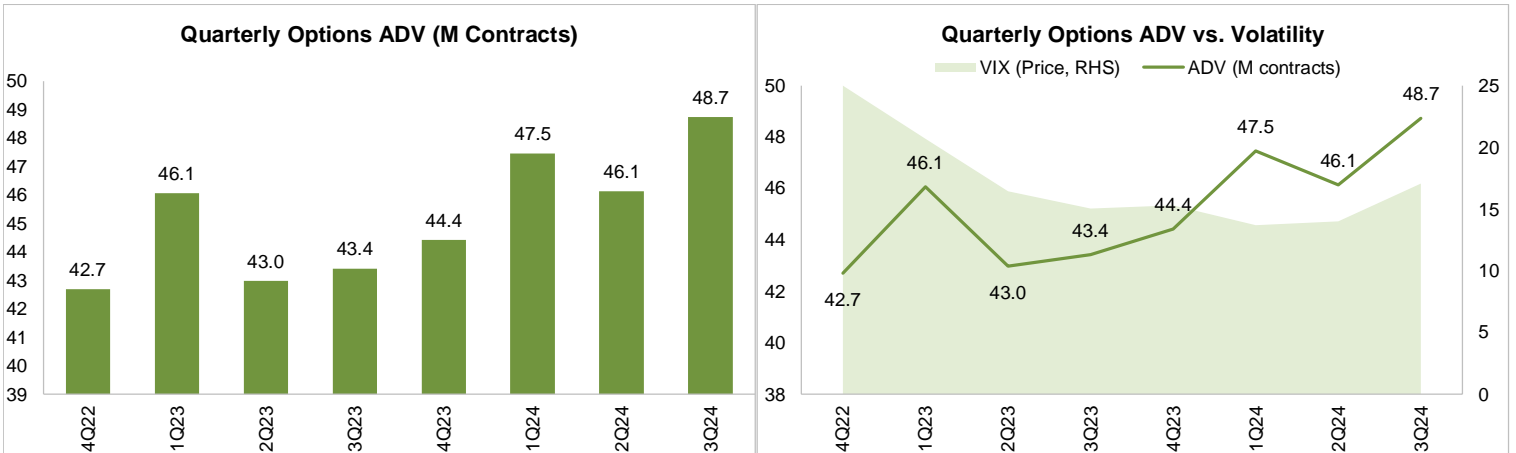
- ETF: 2.3B shares; +3.3% Y/Y



Source: Bloomberg, Cboe Global Markets, SIFMA estimates

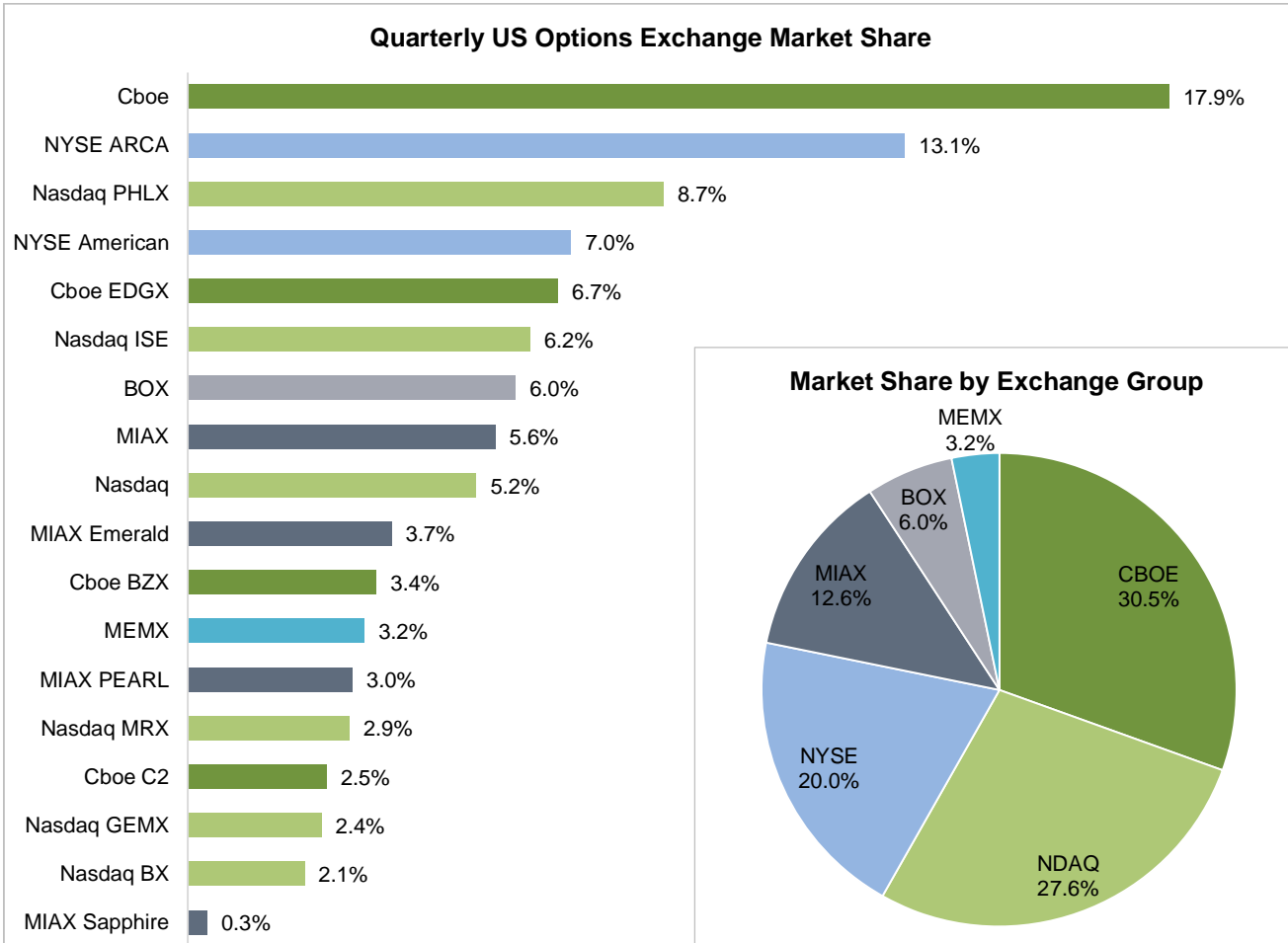
US Options Volumes: Review of Quarterly ADV

- Options ADV: 48.7M contracts; +5.6% Q/Q, +12.3% Y/Y
- Equity options percent of total options volumes: 91.2%; no change Q/Q, -0.1 pps Y/Y



Source: Bloomberg, The Options Clearing Corporation, SIFMA estimates

US Options Exchanges: Quarterly Market Share

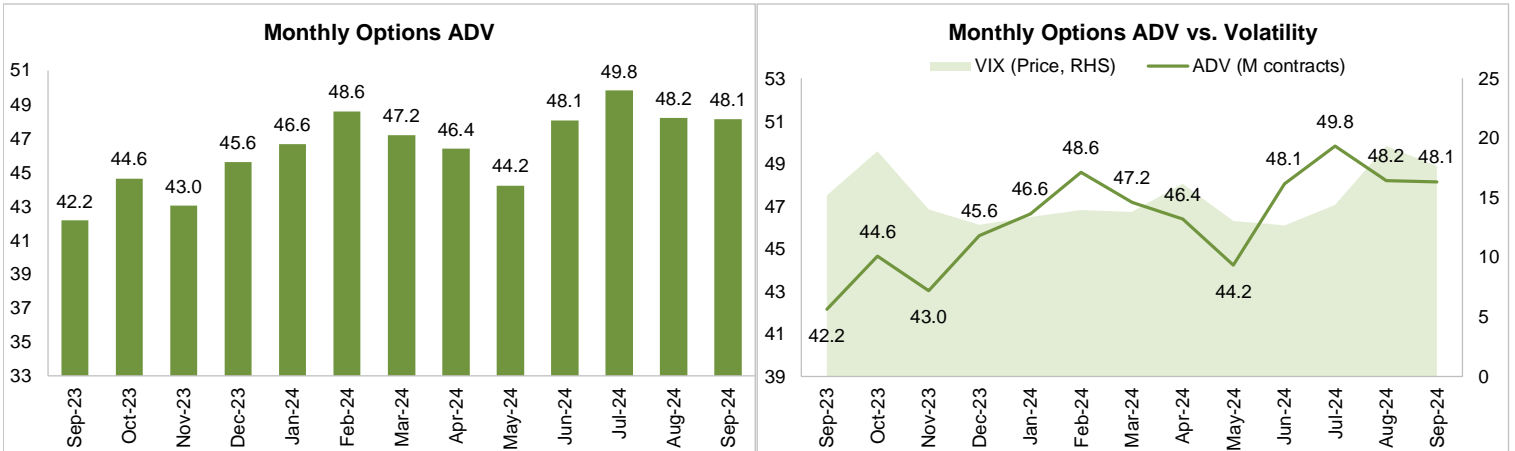


Source: The Options Clearing Corporation (OCC), SIFMA estimates

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

US Options Volumes: Monthly ADV Trends

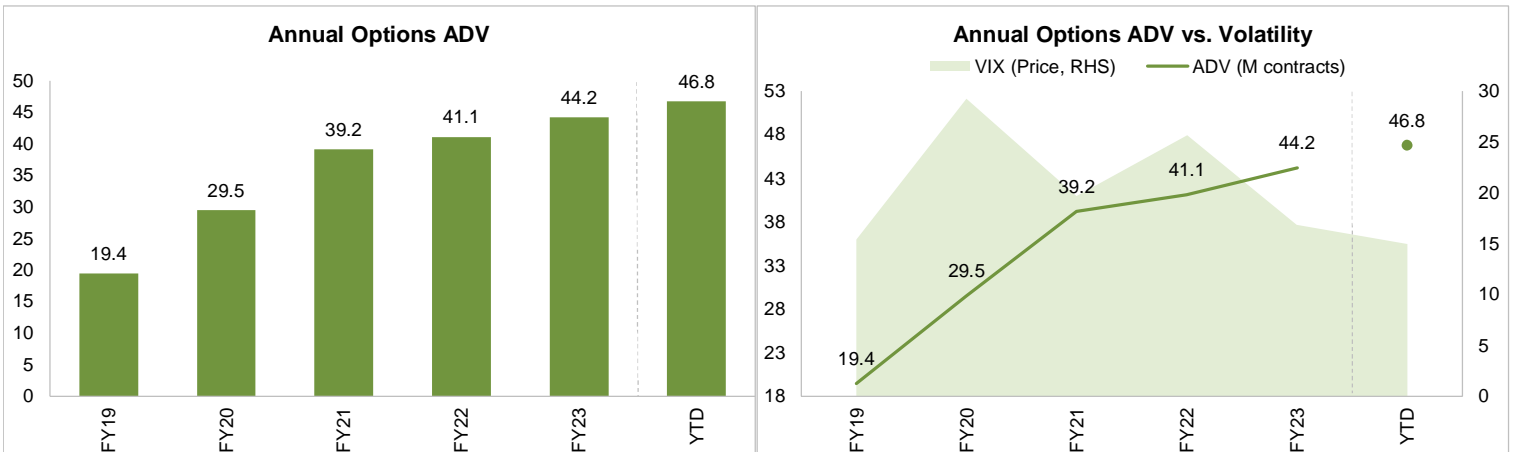
- Options ADV monthly average: 48.1M contracts; -0.1% M/M, +14.2% Y/Y



Source: Bloomberg, The Options Clearing Corporation, SIFMA estimates

US Options Volumes: YTD ADV Update

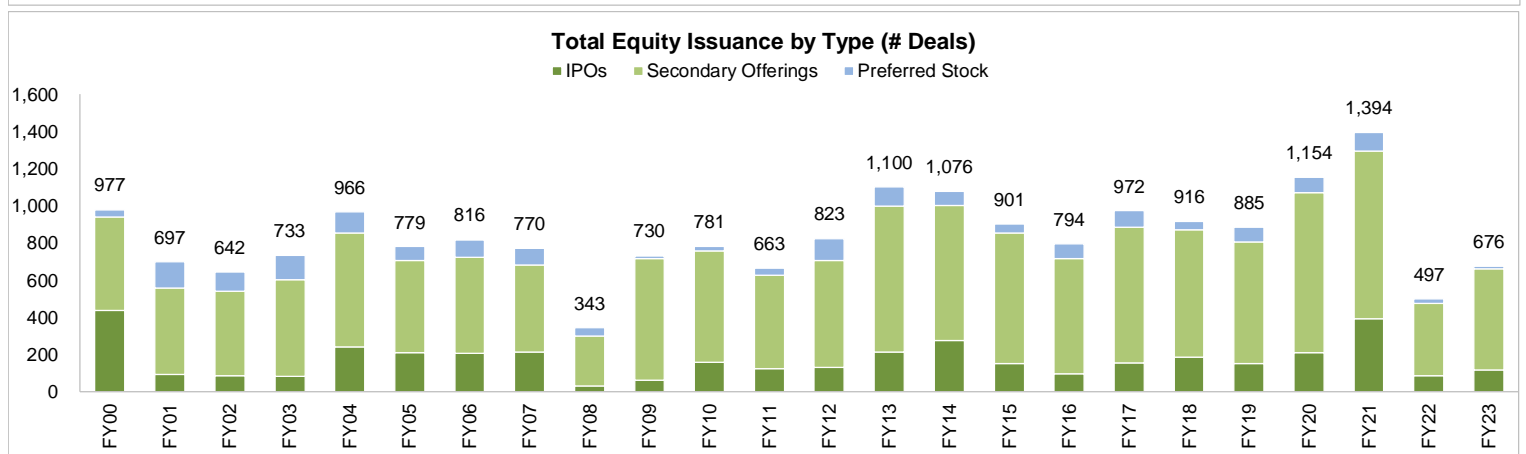
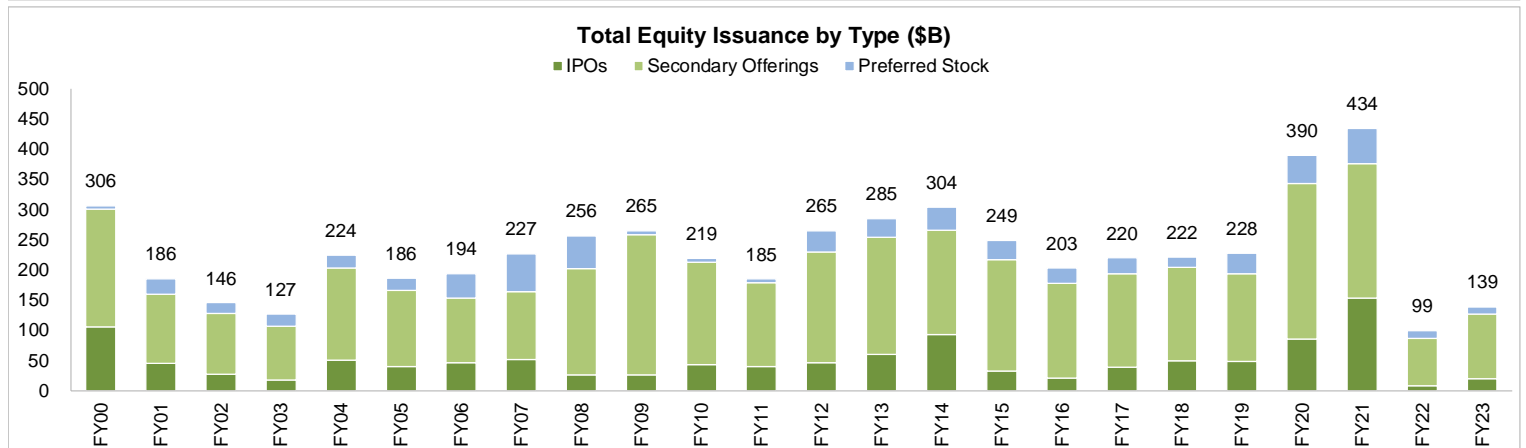
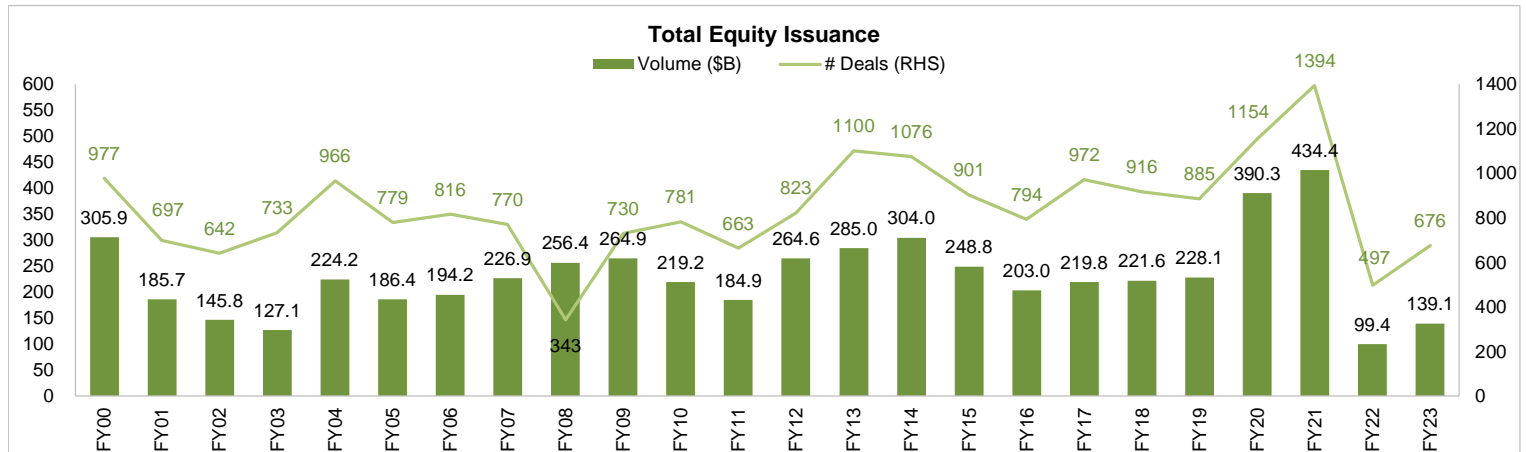
- Options ADV YTD average: 46.8M contracts, +5.1% Y/Y



Source: Bloomberg, The Options Clearing Corporation, SIFMA estimates

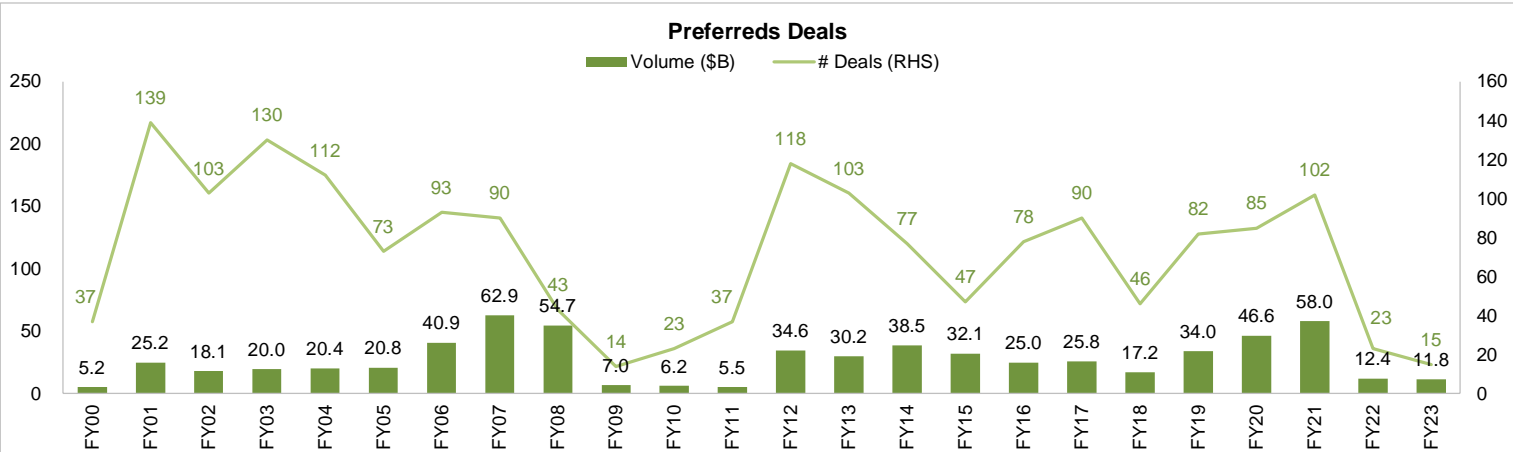
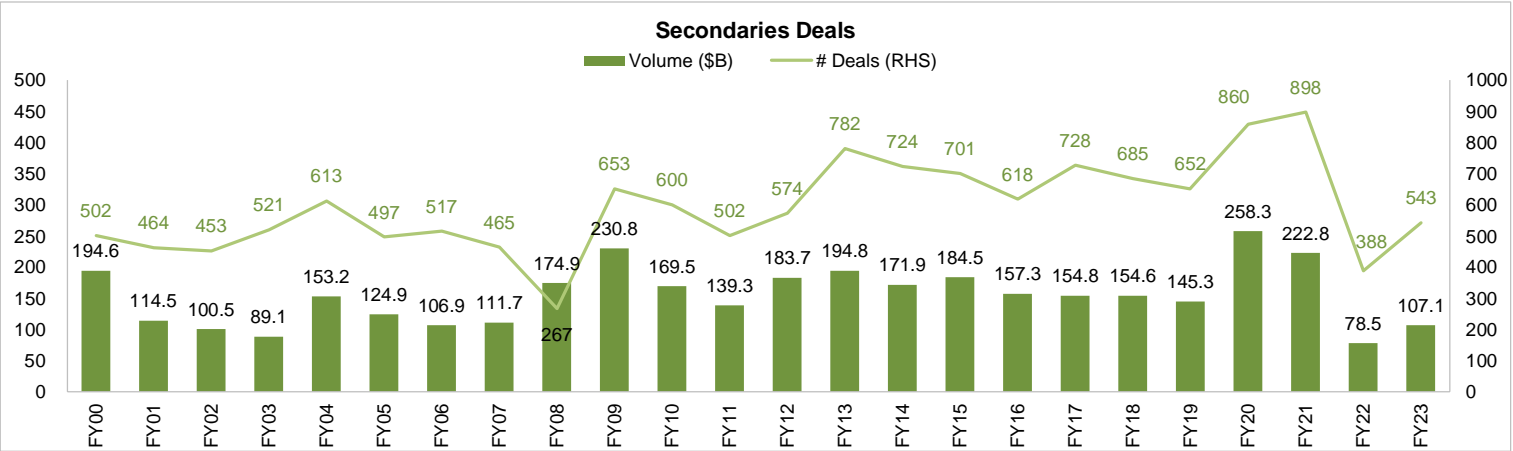
Appendix: Historical Trends

US Equity Capital Formation

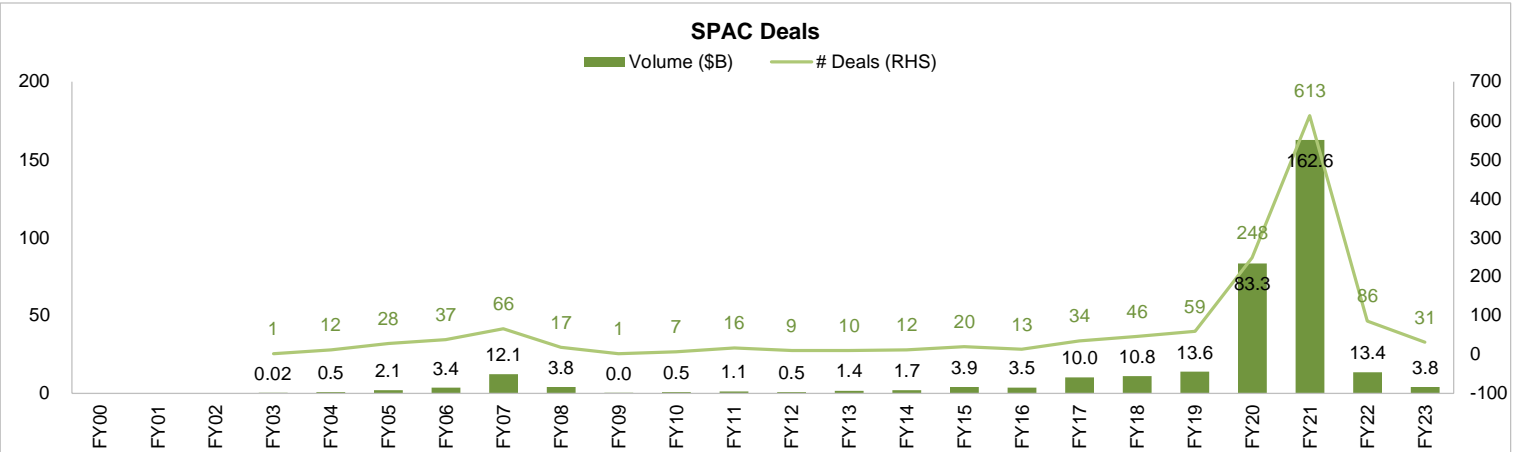
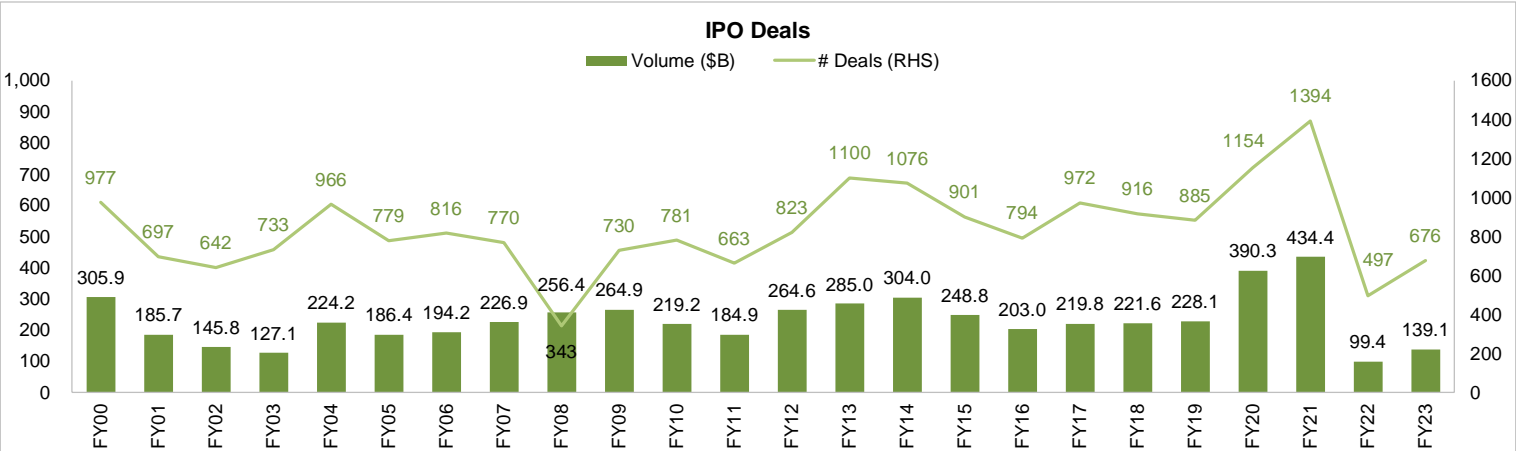


Source: Dealogic, SIFMA estimates

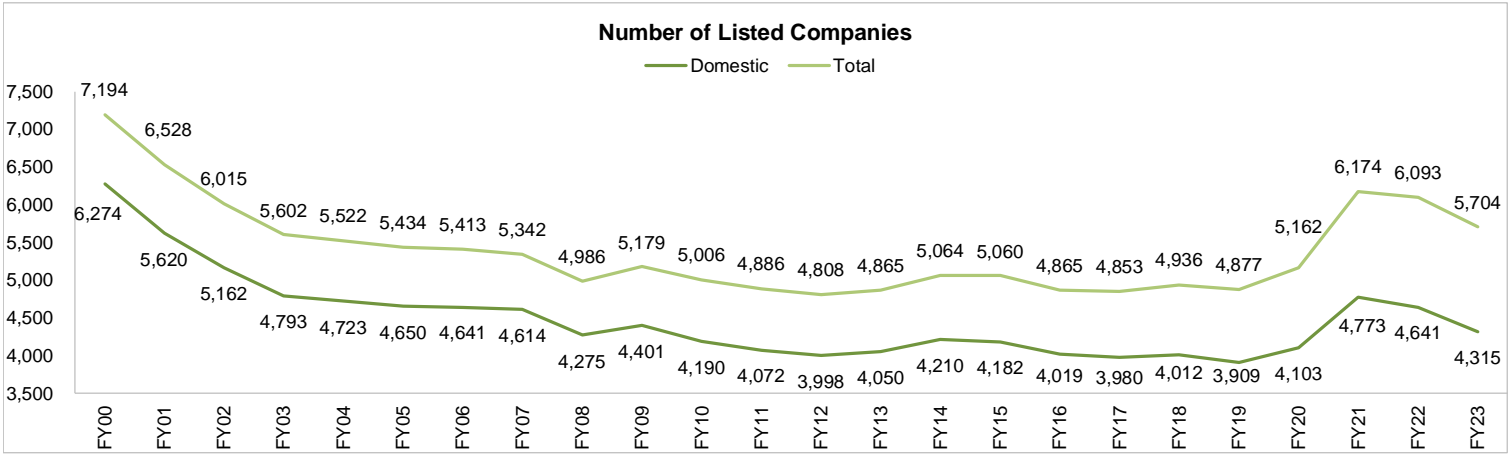
Note: Equity data includes rank eligible deals, excludes, BDCs, SPACs, ETFs, CLEFs and rights offers



Source: Dealogic, SIFMA estimates

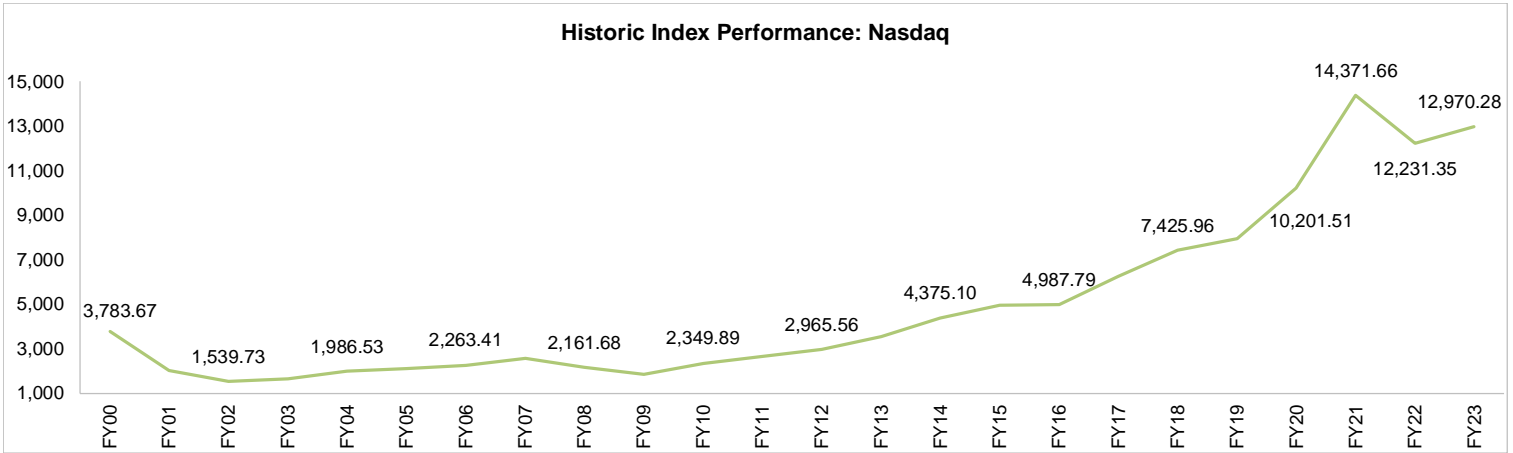
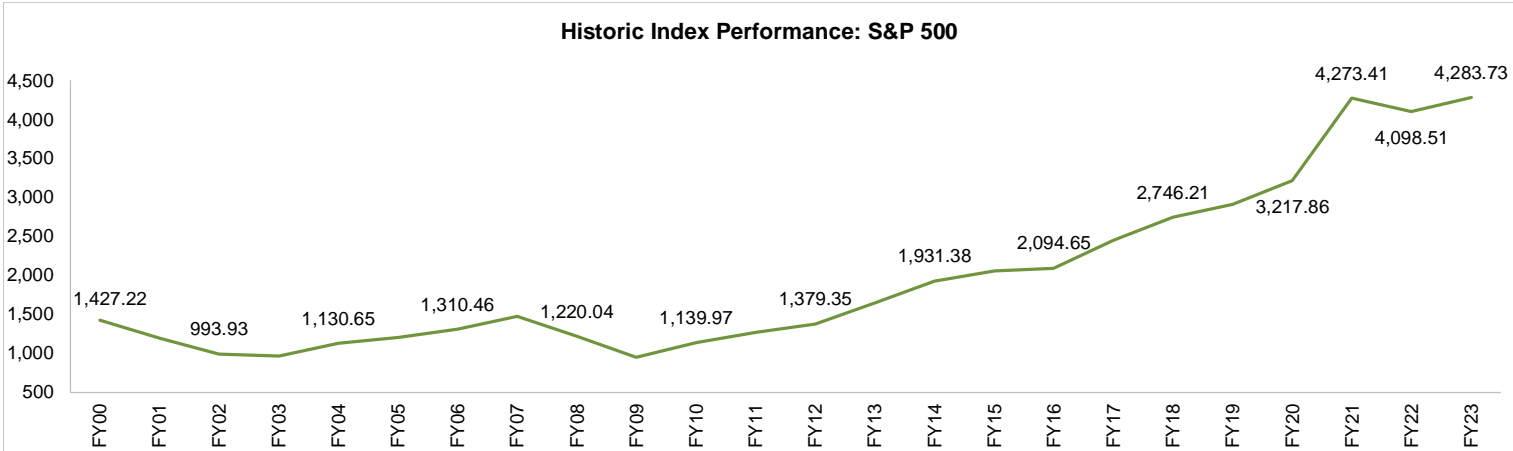


Source: Dealogic, SIFMA estimates
 Note: IPO data includes rank eligible deals, excludes, BDCs, SPACs, ETFs, CLEFs and rights offers

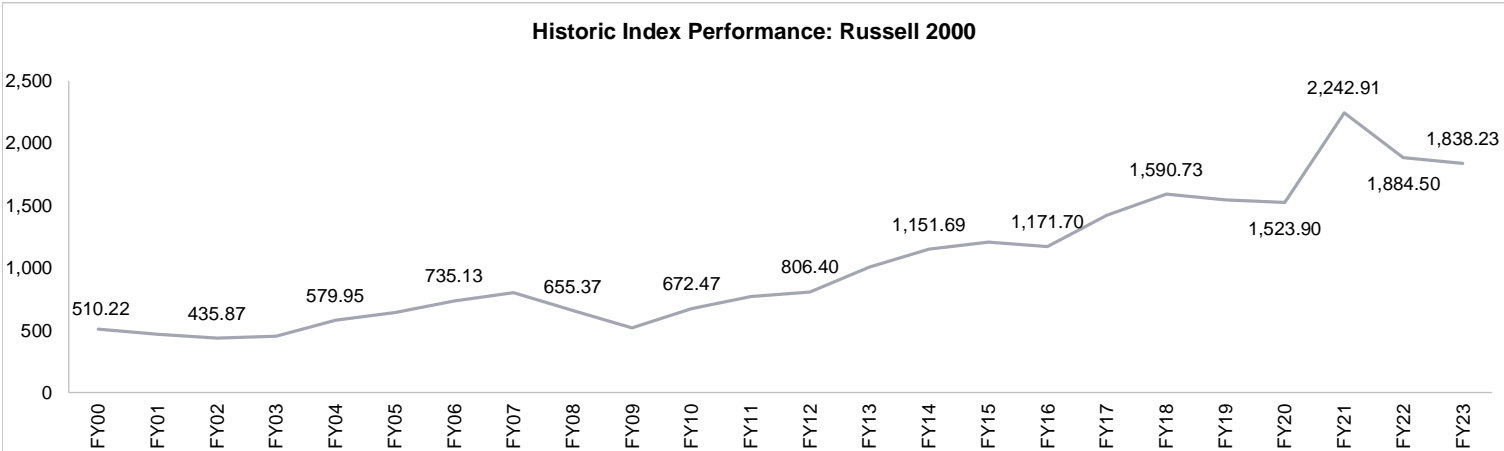
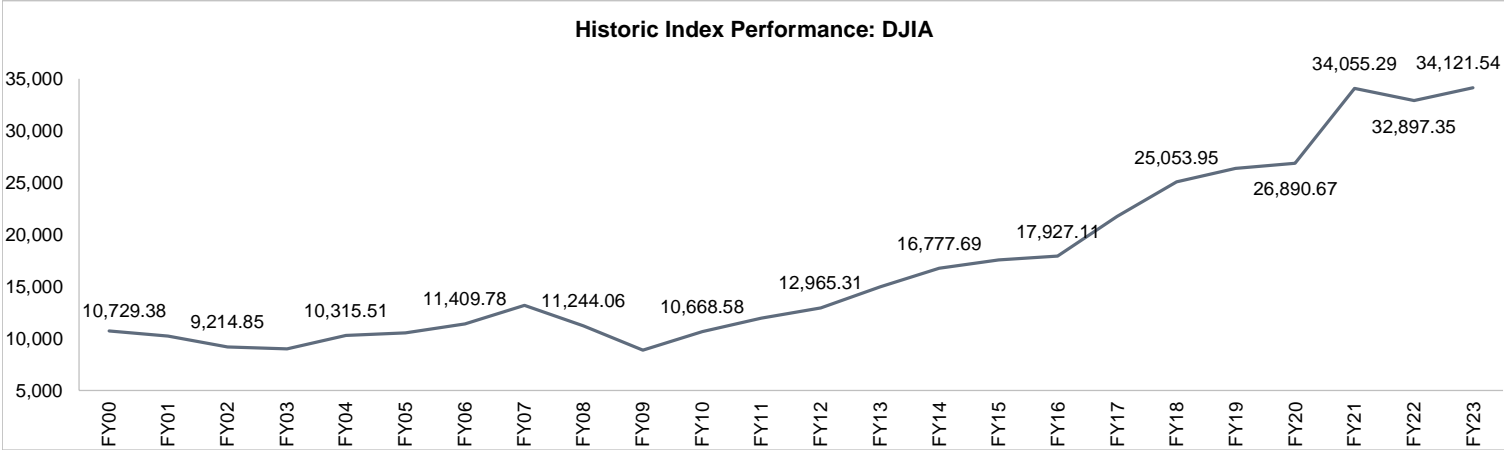


Source: World Federation of Exchanges, SIFMA estimates

Market Performance

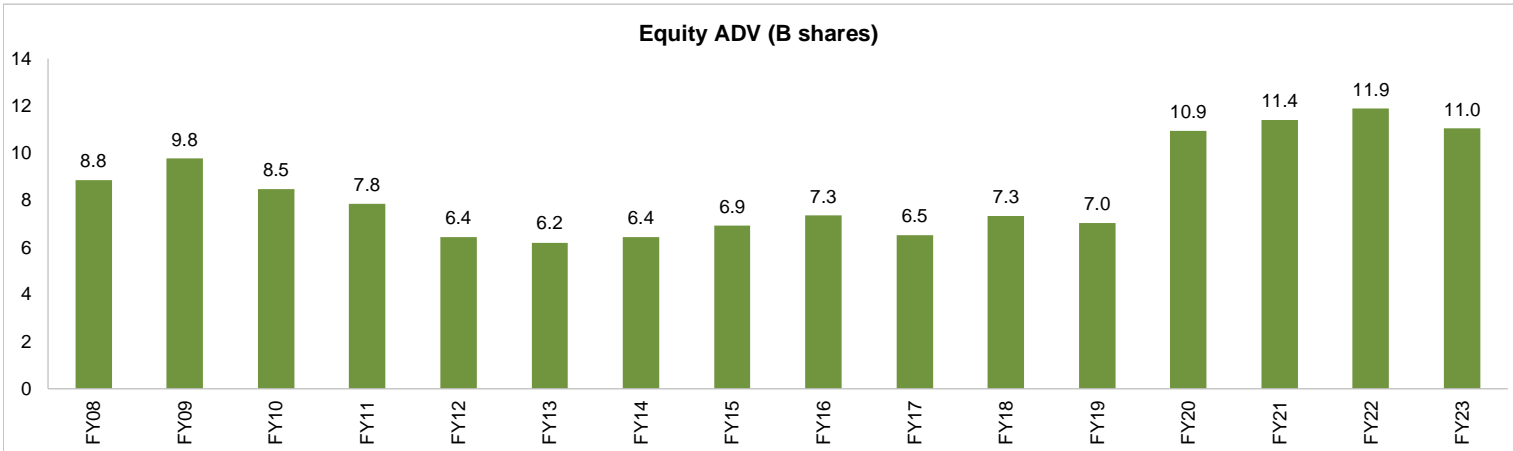
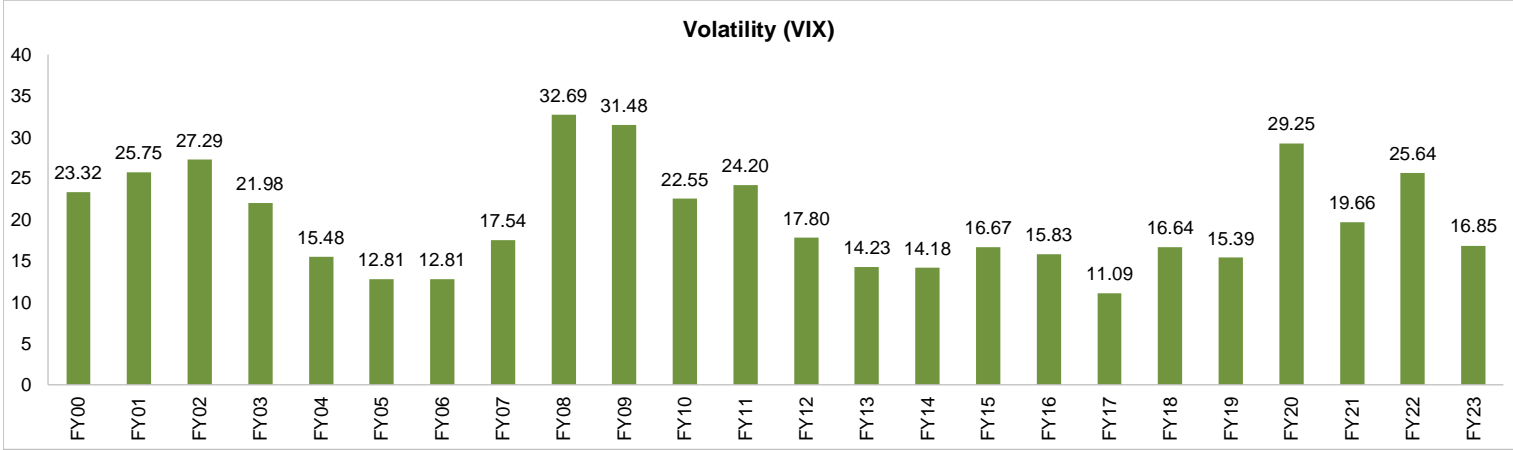


Source: Bloomberg, SIFMA estimates

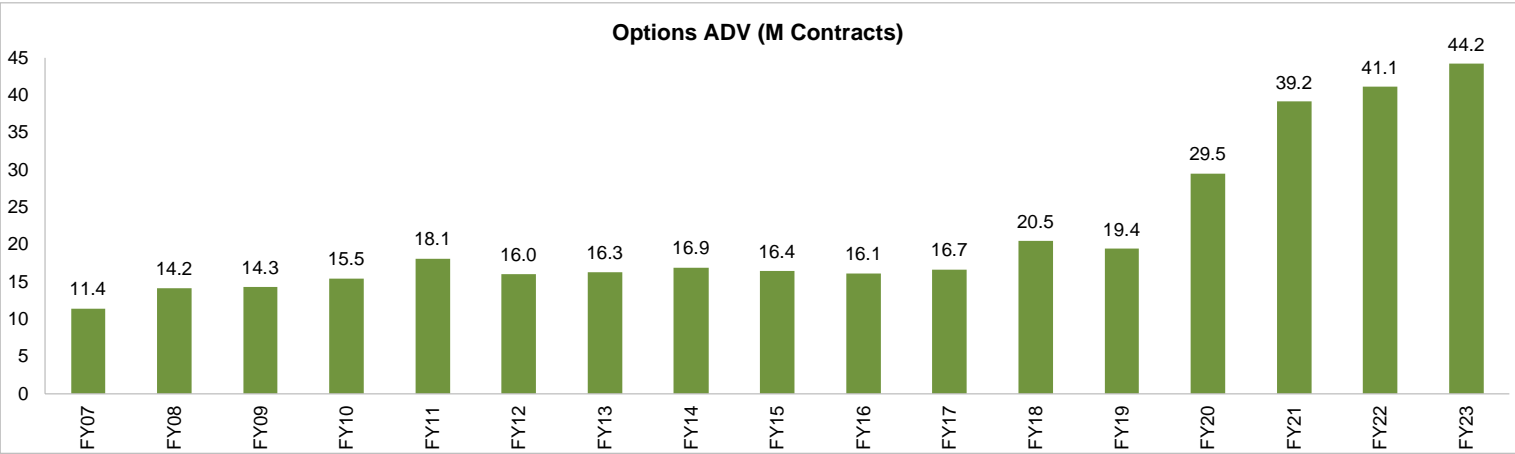
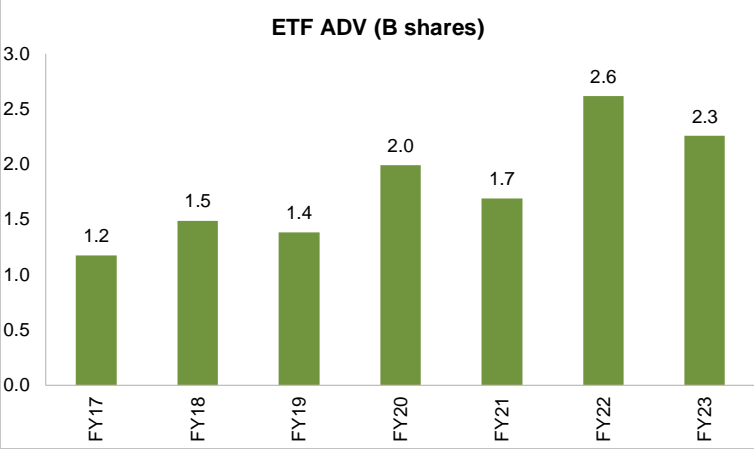


Source: Bloomberg, SIFMA estimates

Volatility & Volumes



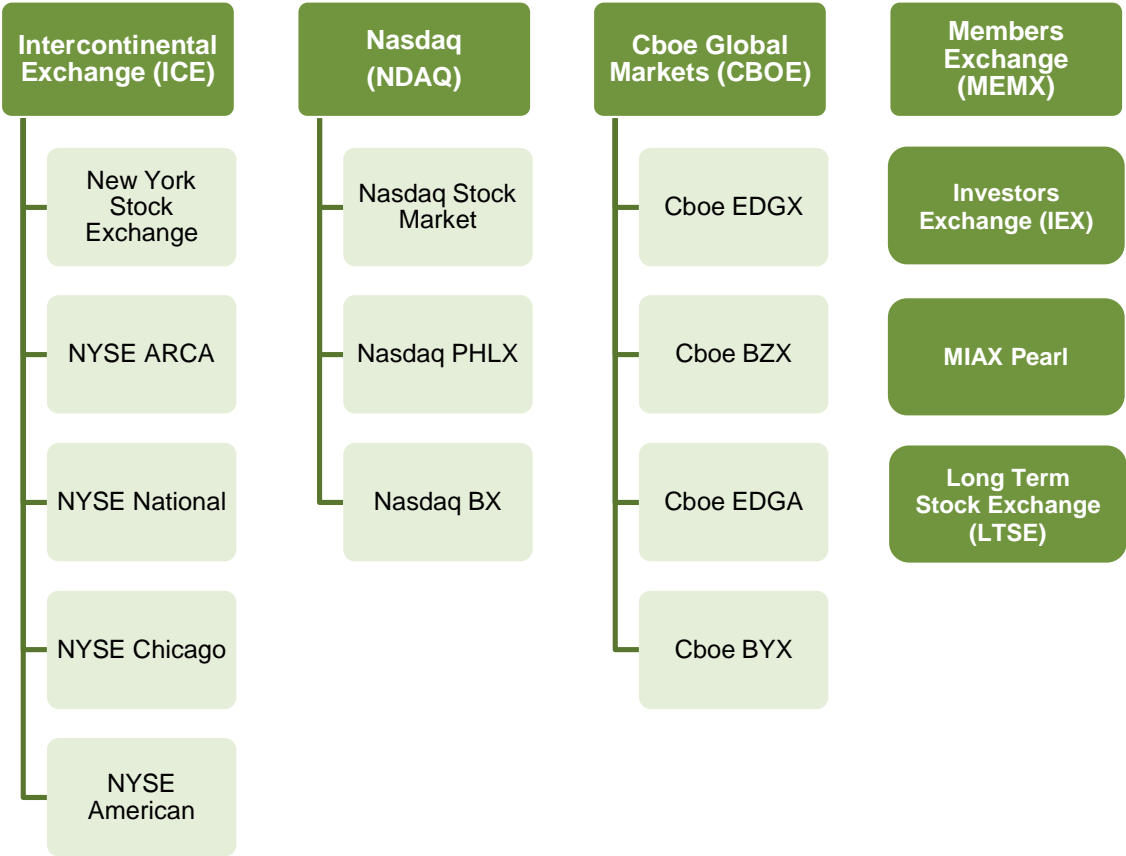
Source: Bloomberg, Cboe Global Markets, The Options Clearing Corporation, SIFMA estimates



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

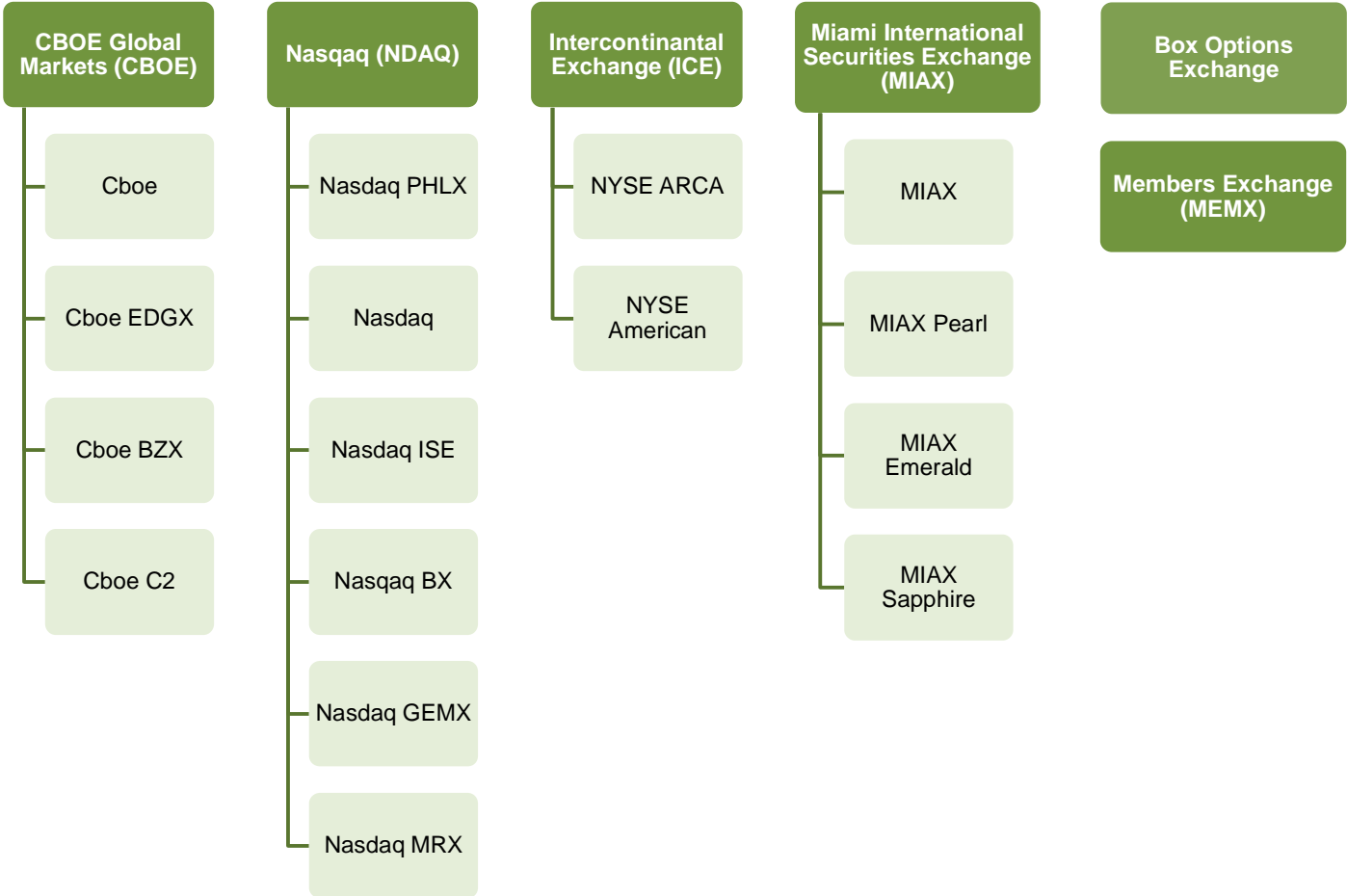
Appendix: Exchange Landscape

US Equities



Note: Volumes also trade off exchange

US 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 IPOd. 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.
- **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 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**

- 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

Equity Capital Formation	
IPO	Initial Public Offering; private company raises capital buy 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

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.

Authors

SIFMA Research

Katie Kolchin, CFA, Managing Director, Head of Research

Justyna Romulus, Senior Research Associate

Matthew Paluzzi, Research Associate

Website: www.sifma.org/research

Email: research@sifma.org

Disclaimer: This document is intended for general informational purposes only and is not intended to serve as investment advice to any individual or entity. The views in this report and interpretation of the data are that of SIFMA, not necessarily its member firms.

SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry's one million employees, we advocate on legislation, regulation and business policy affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.

This report is subject to the Terms of Use applicable to SIFMA's website, available at <http://www.sifma.org/legal>. Copyright © 2024