

Stock Indexes

Several important stock indexes are tracked on U.S. markets. A stock index is a composite of the value of a number of stocks used to measure the ups and downs of the overall market. The most famous stock index is the Dow Jones Industrial Average (DJIA), or “the Dow,” which consists of 30 of the biggest companies in the United States including firms such as Walt Disney, Coca Cola, and Walmart. Today, the Dow is the most widely followed measurement of the stock market. A second important index of stocks is the Standard and Poor’s (S&P) 500. This index uses the stock prices of 500 companies including Boeing, Microsoft, and 3M.

Tokyo Stock Exchange

The Tokyo Stock Exchange (TSE) was established in 1878 in Tokyo, Japan. It has almost 2,300 listed companies with a combined value of \$3.8 trillion, making it the third-largest stock exchange in the world. Stocks listed on the TSE are separated into the First Section for large companies, the Second Section for mid-sized companies, and the Mothers Section for high-growth startup companies.

The best known TSE stock index is the Nikkei 225. Formerly called the Nikkei Dow Jones Stock Average, it consists of 225 of the biggest companies in Japan including firms such as Mitsubishi, Sony, and Sharp. Many major Japanese companies are also listed on the NYSE via American Depositary Receipts (ADR), which represent shares of foreign-based corporations so American investors can buy shares in the United States.

Place the Stock

Listed below are brief descriptions of nine stocks that are listed on one of the three major world stock markets described above. After reading these descriptions, and using what you know about each market, place each stock in the appropriate place on the grid that follows. Pay close attention to the information provided. For example, newer high-tech companies are more likely to be listed on the NASDAQ Stock Market (which opened in 1971).

1. POSCO

A multinational steel-making company headquartered in Pohang, South Korea. It had an output of 35.4 million metric tons of crude steel in 2010, making it the world’s third-largest steelmaker. POSCO currently operates two integrated steel mills in South Korea, in Pohang and Gwangyang. In addition, POSCO operates a joint venture with U.S. Steel, USS-POSCO, which is located in Pittsburg, California.

2. ATARI

Atari’s principal activities are to develop, publish, and distribute interactive entertainment software for leisure entertainment, gaming enthusiasts, and children’s markets for a variety of platforms. This stock was first listed in 1998, and shares traded often average more than 100,000 per day.

3. DUPONT

Founded in 1802, this firm offers a wide range of innovative products and services for markets including agriculture, nutrition, electronics, communications, safety and protection, home and construction, transportation, and apparel. Operating in approximately 90 countries, this company’s stock is part of both the Dow Jones and the S&P 500 stock indexes.

4. **INTEL**
Intel's principal activities are to design, develop, manufacture, and market computers, networking, and communication products. Listed since 1998, this stock regularly averages over 10 million shares traded per day.
5. **MCDONALD'S**
McDonald's Corporation operates in the food-service industry, franchising quick-service restaurant businesses under the McDonald's brand. This stock was first listed in 1966; it is part of the Dow Jones Industrial Average. Shares traded often average near 10 million per day.
6. **TOYOTA**
Toyota Motor Corporation is one of the world's largest automobile manufacturers. Founded in 1937, Toyota manufactures, sells, leases, and repairs passenger cars, trucks, buses, and their related parts worldwide. Shares traded often average near 10 million per day.
7. **TELEKOM AUSTRIA**
This group's principal activities are to provide fixed-line and wireless communication services in Austria and throughout Europe. Listed since 1998, this stock averages 1,000 shares traded per day.
8. **CONSOLIDATED EDISON (CONED)**
Con Edison of New York provides electric power in all of New York City (except Queens) and most of Westchester County. This stock was first listed in 1824. Shares traded per day often exceed one million.
9. **YTL CORPORATION**
YTL Corporation is Malaysia's leading integrated infrastructure conglomerate. The company is involved with utilities, high-speed rail projects, and construction. The stock was first listed in 1985; shares traded per day average about 10,000.

Match the Stocks to the Markets

Market	Stocks		
New York Stock Exchange (NYSE)			
NASDAQ Stock Market			
Tokyo Stock Exchange			