

MARKET STRUCTURE AND REPORTED TRADING VOLUME: NASDAQ VERSUS THE NYSE

Allen B. Atkins, Edward A. Dyl

First published: 27 August 2014

<https://doi.org/10.1111/j.1475-6803.1997.tb00250.x>

Citations: 168

We are grateful to Gene Finn and Timothy McCormick (NASD), George Sofianos (NYSE), Edward Kane, and Robert A. Schwartz for their comments on earlier drafts of this paper, and to Judith M. Dyl for her editorial suggestions.

Abstract

Trading volume for common stocks is of interest to financial economists, investors, and securities lawyers. NASDAQ is a dealer market where trades with dealers are included in reported trading volume. This procedure does not accurately measure the trading volume by public buyers and sellers. Trading volume reported on the NYSE, which is primarily an auction market, provides a much closer measure of trades by public investors. We examine a sample of firms whose stock traded on the NASDAQ/NMS and subsequently on the NYSE. When trading switches to the NYSE, the firms' trading volume drops to about 50 percent of the volume previously reported on NASDAQ. A control group of firms that switched from the AMEX to the NYSE shows a small, but statistically insignificant, increase in trading volume.

References

Gould, J. F. and A. W. Kleidon, 1994, Market maker activity on NASDAQ: Implications for trading volume, *Stanford Journal of Law, Business and Finance* 1, 1-7.

[Google Scholar](#)

Kadlec, G. B. and J. J. McConnell, 1994, The effect of market segmentation and illiquidity on asset prices: Evidence from exchange listings, *Journal of Finance* 49, 611-36.

[Web of Science®](#) | [Google Scholar](#)

NASDAQ Fact Book 8#x38; Company Directory, 1991, 1993, National Association of Securities Dealers, Washington, DC).

[Google Scholar](#)

New York Stock Exchange Fact Book, 1989-91, (New York Stock Exchange, New York).

[Google Scholar](#)

Reinganum, M. R., 1990, Market microstructure and asset pricing: an empirical investigation of NYSE and NASDAQ securities. *Journal of Financial Economics* **28**, 127-47.

[Web of Science®](#) | [Google Scholar](#)

Citing Literature



[Download PDF](#)

ABOUT WILEY ONLINE LIBRARY

[Privacy Policy](#)

[Terms of Use](#)

[About Cookies](#)

[Manage Cookies](#)

[Accessibility](#)

[Wiley Research DE&I Statement and Publishing Policies](#)

[Developing World Access](#)

HELP & SUPPORT

[Contact Us](#)

[Training and Support](#)

[DMCA & Reporting Piracy](#)

OPPORTUNITIES

[Subscription Agents](#)

[Advertisers & Corporate Partners](#)

CONNECT WITH WILEY

[The Wiley Network](#)

[Wiley Press Room](#)