

Brokers Announce New Stock Exchange – What We Know



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A new stock exchange was announced on Tuesday. Normally, this would not be particularly noteworthy for most individual investors. What differentiates the Members Exchange (MEMX) is who the founding members are: discount brokers Charles Schwab, E*Trade, Fidelity Investments and TD Ameritrade. Joining them are full-service brokers Bank of America Merrill Lynch, Morgan Stanley and UBS. Market makers Citadel Securities and Virtu Financial round out the group of nine.

An application to operate as a national securities exchange will be filed with the U.S. Securities and Exchange Commission (SEC) in “early 2019.” Because of the approval process along with the various logistical, technical and compliance issues involved with launching such a venture, the exchange will not be operational this year.

**MEMX FOUNDING
MEMBERS INCLUDE:**

- E*TRADE
- FIDELITY
- SCHWAB
- TD AMERITRADE

MEMX will be joining an already crowded field. Once launched, it will be the 14th stock exchange. All but one is owned by Intercontinental Exchange Inc. (ICE)—the NYSE’s parent company—Nasdaq or Cboe Global Markets Inc. (CBOE), according to The Wall Street Journal. There are also other outlets for executing trades. A 2015 SEC report noted the existence of more than 40 trading venues plus more than 200 broker-dealers that fulfill client trades internally.

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- [A Behind-the-Scenes Look at How Trades Are Executed](#) – The chief market policy officer for IEX shed light on the complex structure that trades get executed through.

- [How Your Buy and Sell Orders Get Filled](#) - Chris Nagy, then with TD Ameritrade, explained what happens when you place a trade in this 2011 *AII Journal* article.
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Highlights from this month's *AII Journal*

- [Comparing the Most Popular Online Brokers](#) - The seven discount brokers most used by AII members offer a comparable suite of tools and services but vary in subtle ways.
 - [The Position of the Individual Investor](#) - As we celebrate the *AII Journal's* 40th anniversary, we're featuring this article, which appeared in the second issue of the *AII Journal*, March-April 1979, and set the stage for AII's mission.
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AII Sentiment Survey

Pessimism plunged, ending a 13-consecutive-week stretch of above-average readings. Plus, this week's special question asked AII members how they think the S&P 500 index will fare this year. [More about this week's results.](#)

This week's results:

- Bullish: 38.5%, up 5.4 points
- Neutral: 32.2%, up 8.0 points
- Bearish: 29.4%, down 13.4 points

Historical averages:

- Bullish: 38.5%
- Neutral: 31.0%
- Bearish: 30.5%

Take the [Sentiment Survey](#).

What's Trending on AAll

1. [What You Need to Know About Bond Yields to Determine Your Returns](#)
 2. [Comparing the Most Popular Online Brokers](#)
 3. [Mighty Minis: Tiny Titans Stand Tall in 2018](#)
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The Week Ahead

Fourth-quarter earnings season will begin to heat up, with 26 S&P 500 index companies scheduled to report. Many of these companies will be mega-cap in size, including Dow Jones industrial average components JPMorgan Chase & Co. (**JPM**) and UnitedHealth Group (**UNH**) on Tuesday, Goldman Sachs Group Inc. (**GS**) on Wednesday and American Express Co. (**AXP**) on Thursday.

The week's first economic reports will be the December producer price index (PPI) report and the January Empire State Manufacturing Survey, both of which will be released Tuesday. Wednesday will feature the January housing market index and the Federal Reserve's periodic Beige Book report. The January Philadelphia Fed business outlook survey will be released on Thursday. Friday will feature December industrial production and the University of Michigan's preliminary January consumer sentiment survey.

Economic reports released by the Census Bureau may be delayed because of the ongoing government shutdown. Reports that would normally be expected next week are December retail sales, December import and export prices and November business inventories on Wednesday and December housing starts on Thursday. The Bureau of Labor Statistics (BLS) and the Energy Information Administration (EIA) are funded and open. Their reports include the PPI and weekly oil inventories, respectively.

Four Federal Reserve officials will make public appearances: Kansas City president Esther George and Dallas president Robert Kaplan on Tuesday; Minneapolis president Neel Kashkari on Tuesday and Wednesday; and New York president John Williams on Friday.

The Treasury Department will auction \$13 billion of 10-year inflation-adjusted securities (TIPS) on Thursday.

Local Chapter Meetings

AII Local Chapter Meetings offer you a variety of presentations from expert speakers who will give you their view on the world of investing. A bonus of attending a Chapter Meeting near you is the opportunity to meet other AII members who share your interest and enthusiasm for investing. You can even share the Chapter experience with your family and friends by inviting them to attend Chapter Meetings with you!

[Upcoming Meetings »](#)