

Find Out the Essential Deals on Secondary Private Equity Liquidity

The secondary market is the one in which already existing securities, such as stocks or bonds, are traded after being issued on the primary market.

Secondary market: definition

A distinction is made between the primary market and the secondary market. The secondary market is where second-hand financial securities (or objects) are traded. The secondary market can be regulated or put sellers and buyers in direct contact. It totals almost all the exchanges and thus ensures the liquidity of the investments. You can find more information about Secondary Private Equity Liquidity on nypex.com.

Utility of the Secondary Market



Unlike the issue price, it is the secondary market that allows a market price for security. This title results from the balance between supply and demand from investors. The secondary market is one of the financial lungs of the modern economy. Its usefulness is multiple. It ensures the liquidity of securities circulating on the various markets since any investor wishing to sell an asset finds counterparty therein and liquidity. Second, it makes it possible to find market prices: economic agents (theoretically) receive the same information at the same time. The prices, therefore, reflect an actual market situation. They integrate information likely to have an impact (positively or negatively) on quotations, whether it concerns micro or macroeconomic elements.

The secondary market provides security for investors since this market, whether regulated or over-the-counter, is supervised by supervisory authorities. Now nypex.com ensure its monitoring in order to guarantee the transparency of transactions. It allows investors to trade securities with contained fees. Competition between the various financial centres and the diversity of operators weigh on brokerage commissions claimed by intermediaries. Like the needle of a seismograph, it helps to get an idea of how healthy the economy is since a market with falling prices is usually synonymous with depression or panic. This was particularly the case in March 2020, where the shares declined by 12.28% for fear of the effects of Covid-19 on the planetary economy, thus registering one of the most significant setbacks in its history.

Types of Secondary Markets

There are as many markets as there are financial assets. They can be classified into two broad categories: the organized secondary markets or OTC (over-the-counter).

The second-hand securities market puts sellers and buyers in direct contact. They do not know each other. Only brokers know the identity of the parties. The orders are grouped. The role of the intermediary is entrusted to a clearinghouse. It is responsible for controlling, monitoring and managing transactions between buyer and seller per standardized operating rules. This protocol guarantees equal treatment between all shareholders, large or small, with the purchase and sale prices of securities being provided continuously and the volume of transactions executed.

Get more information about Secondary Private Equity Liquidity visit here : <https://nyppex.com/>