
THE FUTURE OF THE STOCK MARKET

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In this paper I will present my opinion on the future of the stock market, in order to do this I will try to answer the following key question: What does the stock market need to stay alive? or from another perspective, what does the stock market have to do to attract more people and increase their size and strength?

To answer the question proposed, I will use three concepts that I consider fundamental for the future of the stock market, these are: transparency, accessibility and language.

I established transparency as the first fundamental concept for the future of capital markets, in order that, this should be a priority and a short-term goal to be achieved by all the markets and regulatory commissions of the world, because of, in a big proportion, the operability and efficiency of a market is based on the trust placed in it from both investors and those who are in search of resources. Additionally, it is a transcendental issue since today the markets are plagued by major scandals of corruption, speculation and embezzlement, a fact that if is not improved could lead people in the long term in to new alternatives of investment or financing, with a higher index of trust and transparency, where their resources are safer and do not end up in the wrong hands, being managed by people with a criminal record or involved in major financial scandals.

Secondly, once the confidence of the general public has been recovered through appropriate mechanisms that ensure transparency and compliance with the established laws by all market agents, I consider it is important as a short and medium term goal, to work in the accessibility to the market, meaning that it is fundamental that in the whole world, the stock market must be seen as what it really is, a way to finance companies, invest resources and boost the growth of a country, and not as it is perceived today as the place where only an specific and small group of rich people invest and obtain resources.

It is worth mentioning, that in countries like the United States of America, that has world leading markets in which there is an investment culture, the percentage of the population

that invests in the markets does not exceed the 54% (CNBC, 2017), and this in a leading country, now in a country like Colombia the numbers are even worse; until 2012 the number of common or nonprofessional investors, did not exceed one million people and in recent years this number has even decreased and is around 700,000 people, this from a total estimated population of almost 50 million people (Dinero, 2017). For this reason, we must work to open the doors to other people, to show the stock market as a way or a place of investment and financing that is inclusive, efficient and transparent.

Lastly, but no less important as a short and long term goal, we must work in the language, and that means, that in order to be transparent and accessible to everyone, we must create a standard mean of communication, where any person could be able to understand how the market works, what can be done on it and where is it going, or how will change in the future, in such a way that there are no barriers to this understanding and where the doubts and fears will be dissipated as the false belief of, that to participate in this system, you have to be an expert in finance.

To conclude, I could say that I see great challenges for the global stock market in the future, challenges that must be work out as soon as possible if we want to avoid more crises and problems, and even more so in a world where new technologies and sources of financing are being developed every time, such as the crowdfunding.

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