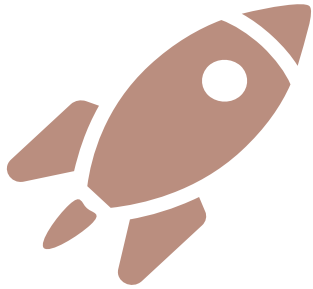




DOW JONES

Alberto Raventós Romero

INTRODUCTION



Launched 1882

Charles Dow
Edward Jones



30 largest stock

New York Stock
Exchange
NASDAQ



Financial Info.

The Wallstreet
Journal



CONDITIONS TO ENTER

- There are not clear guidelines just require **large, respected, substantial enterprises.**
- \$8.3 trillion market capitalization
- 30 companies
- Rupert Murdoch owns it now, and other media companies



REPRESENTATION

The Dow Jones, represents 95% of U.S. market based on market capitalization

$$Index\ Level = \frac{Market\ Cap.}{Divisor}$$

P = Price

Q = shares of the companies

Divisor = **Chain based index, long and standard**, changes constantly

SUB-INDEXES

- DOW JONES INDUSTRIAL AVERAGE (Industrial)
- DOW JONES UTILITY AVERAGE (Gas, Energy)
- DOW JONES TRANSPORTATION AVERAGE (Distribution)
- DOW JONES COMPOSITE AVERAGE (65 companies)



Why Amazon?

- Amazon is not in the Dow Jones index basically because it is a **price-weight index**, which means that Amazon, with its stock price, would have too much power on the index. Representing 46 times more the price of Pfizer (the cheapest in the index)

**Thank you
for listening**

