



Student Activity Page

A Visit to the Tokyo Stock Exchange

The Tokyo Stock Exchange is open Monday through Friday from 9:00 to 11:00 A.M. and from 1:00 to 3:00 P.M. Since the Tokyo market responds to what happens in London and New York, there is not much action on Mondays when these other markets have not yet opened.

The trading floor itself looked like pandemonium to the average observer. I could see activity everywhere with hundreds of people pushing, shoving and shouting, and constantly communicating via hand signals. When a big trade was made, we could hear applause and whistles. To my ears, these were the same sounds I associate with a high school basketball game.

The 150 most active stocks are traded on the floor of the exchange but they trade the rest via a computer. The Nikkei Average is used to indicate whether the stock market in Japan is going up or down.

Stock markets are busy places! In New York, London and Tokyo, they are at the heart of the country's economy. With a global economy, stock markets around the world often affect the lives of average people who may live several thousand miles away. Because Tokyo is located in the Pacific Ocean not too far west of the International Date Line, Tokyo time is 14 hours ahead of New York. This means when it is Monday at 7:00 A.M. in New York it is 9:00 P.M. in Tokyo. With this time difference, how much do you think the two stock markets are related?

Check It Out!

The Dow Jones average indicates whether the New York Stock Market is going up or down. The Nikkei Average does this for the Tokyo Stock Exchange.

Choose a hypothesis: (Check one)

_____ When the Dow Jones Average goes up, the Nikkei Average usually goes up, too.

_____ When the Dow Jones Average goes up, the Nikkei Average usually goes down.

_____ The Dow Jones Average and the Nikkei Average are totally unrelated.

Now do some research to prove or disprove your hypothesis.

Which hypothesis is correct? How do you know?

Challenge Questions

Find out more about the Tokyo Stock Exchange. What are the most popular stocks? Has the Nikkei average gone up or down in the past week? the past month? the past year? What effect has this had on the Japanese economy?

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