

## Booms & crashes

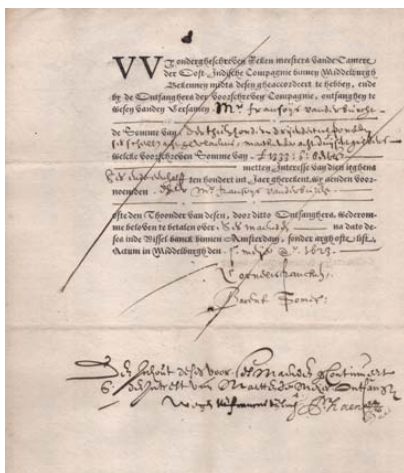
### Securities tell the story of the stock exchange

Here we go again: **Wild price swings on the stock exchange – both upward and downward – cause the protagonists of the financial industry and private investors to hold their breath. The new exhibition "Booms & crashes - Securities tell the story of the stock exchange" shows just how relevant financial and economic history is to our time. Wertpapierwelt in Olten will take you on a journey through 400 years of stock trading, as documented by approximately 90 securities of companies that "made history" in their day.**

No boom without a subsequent crash, and no crash without a preceding boom. This old stock market adage is based on more than four hundred years' experience in stock trading. Constant ups and downs – booms and crashes – not only characterise the vitality and dynamism inherent in living things, but in the economy as well. The history of the stock exchange is marked by both successes and failures, by periods of growth and periods of stagnation. In this respect it resembles the biography of a human being. The analogy with human life is pursued throughout this exhibition on the history of securities trading.

### Childhood days

Starting with the "birth" of the share in 1602, securities from the early days of the public limited company shed light on the "childhood" of the stock exchange, which lasted till the end of the 18<sup>th</sup> century. Trading companies, the first banks and insurances, roads and canals as well as the development of an urban infrastructure were by this time already being financed by shares.



The Vereinigte Ostindische Compagnie (VOC) was the first modern public limited company.

## The wild years of youth

The 19th century featured the "wild years" of the stock exchange, which were marked by an impetuous capitalism, various railway booms and the Founding Epoch in Germany. It was a century of new beginnings and uncontrolled speculation. Nonetheless, the foundations of some of the large, multinational enterprises of our day were laid during this period.



The opening of the Liverpool and Manchester Railway marked the beginning of a period of railway euphoria.



From telegraph building company to global enterprise: Siemens & Halske became a public limited company in 1897.

## Career Steps

In the 20th century, the stock exchange took several further "career steps", but suffered a number of setbacks as well. The share, and with it the stock exchange, had established itself as an essential source for financing progress. Shares in the new communication media and in transport were in hot demand at the beginning of the century, which ended in similar fashion with a boom in Internet shares.



In the 1920s, shares of radio companies, such as the De Forest Radio Company, were among the most highly rated objects of speculation.

## The virtual world

In today's world the traditional stock exchanges are well-established and well-organised marketplaces even though securities traders no longer congregate at a real location and at a particular time to do business. Trades are struck virtually via computers, round the globe and round the clock. However, the main protagonists on the stock exchanges can still commit errors in judgement, as recent events have shown.



The once proud investment bank Merrill Lynch is among the victims of the latest financial crisis.

## History repeats itself

In all ages, the stock market has felt the impact of adventurers hoping for easy wealth, and the whole structure has teetered at times. That said, the story of the stock exchange is far more than a simple crash history, although the crashes always made the biggest headlines. The assorted and arranged exhibits show a balanced picture composed of the "hits and flops" of stock exchange history. Torn between daring and greed, vision and fraud, innovation and impotence, the key players in the stock exchange story all have their say.



Cover illustration of the satirical gazette "La Lune" of 16 September 1866.

The investors Jonathan Chance and Benjamin Luck will accompany you through the exhibition, with glib comments on the highs and lows, boom periods and collapses witnessed time and again since the founding of the first stock exchanges.



The exhibition does not solely target the stock market cognoscenti, who are unlikely to take their eyes off the built-in stock market ticker near the entrance for long: It also hopes to attract novices and aspiring investors. A special section is devoted to explaining the way in which shares, bonds, warrants and funds work, and what sets them apart from each other. Various films shed light on the history of share trading and introduce viewers to the working methods of the stockbroker.