

Economic Indicators — Part 2: Global Stock Markets in 2025 *by Max Farrington and Michael Hirsch — updated 2025–2026 edition*

When discussing stock markets, we often hear many abbreviations and acronyms. It can therefore be easy to feel confused if one is not familiar with all these terms. This edition of EconoMag takes a closer look at the world's major stock exchanges and their remarkable evolution.

Reminder: What Is a Stock Market Index?

A stock market index measures the value of a specific portion of the stock market. It is calculated from the prices of a selected group of shares representing the most significant companies within a particular market or sector.

These indices are used by investors, traders, central banks, and the general public to monitor the evolution of the economy in real time.

A stock exchange is a highly organized marketplace where negotiable financial securities are bought and sold — including stocks, bonds, commodities, currencies, and futures contracts.

A Four-Century-Old History

It is generally accepted that the first modern stock exchange was the Amsterdam Stock Exchange, created by the Dutch East India Company in 1602.

The first French stock exchange dates back to 1724.

Today, these markets have been profoundly transformed. In 2017, the Hong Kong Stock Exchange adopted a fully electronic trading model and closed its physical trading floor — a powerful symbol of the complete digitization of modern finance.

NYSE and NASDAQ: The Two American Giants

The New York Stock Exchange (NYSE) remains by far the largest stock exchange in the world, with a market capitalization of \$25.6 trillion in 2025, representing nearly 50% of the total global stock market value.

The NYSE hosts globally recognized companies such as Coca-Cola, IBM, and Disney, and is associated with two major indices:

- Dow Jones Industrial Average — the oldest stock index in the world, calculated since 1896
- S&P 500, which tracks the 500 largest American companies

The NASDAQ, the second largest exchange in the world, has a market capitalization of \$19.51 trillion in 2025.

With companies such as Apple, Microsoft, Google, Amazon, and Tesla, NASDAQ hosts the largest concentration of technology companies in the world.

It is also on this market that the stock market revolution driven by artificial intelligence has taken place.

Microsoft, Apple, and Nvidia dominated the ranking of the world's largest companies in 2024, illustrating the overwhelming dominance of tech giants.

Nvidia, valued at \$144 billion in 2017, reached \$3 trillion in just a few years — a rise virtually unmatched in stock market history.

In Europe: Euronext, CAC 40, and DAX

The Paris Stock Exchange is part of Euronext, the largest stock exchange group in Europe.

Headquartered in Amsterdam, Euronext brings together the stock exchanges of:

- Paris
- Amsterdam
- Brussels
- Lisbon
- Dublin
- Milan

Its total market capitalization reached €5.654 trillion in 2025.

Companies such as L'Oréal, Airbus, and TotalEnergies are listed there, and investors follow indices including:

- CAC 40
- BEL 20
- PSI 20

The CAC 40 — *Cotation Assistée en Continu* — is the main French stock market index. It was created on December 31, 1987, with a base value of 1,000 points.

Its composition is reviewed quarterly by a scientific committee, based on market capitalization and liquidity.

On March 7, 2024, the CAC 40 crossed the symbolic 8,000-point mark for the first time during trading.

A notable evolution is the creation of an ESG version of the index: the CAC 40 ESG, which incorporates environmental, social, and governance criteria into the selection of companies — reflecting the rise of responsible finance.

Germany and the United Kingdom

In Germany, the benchmark index is the DAX (Deutscher Aktienindex).

The main index of Deutsche Börse now tracks the 40 largest German companies, including:

- Volkswagen
- Siemens
- Bayer
- Adidas

The index was expanded from 30 to 40 companies in 2021.

In the United Kingdom, the FTSE 100 (pronounced “*Footsie*”) remains the primary benchmark.

In May 2025, the market capitalization of the London Stock Exchange (LSE) was estimated at £3.88 trillion, with more than 3,000 companies from 70 countries listed on this international marketplace.

In Asia: A Rapidly Evolving Stock Market Landscape

The Nikkei, the flagship index of the Tokyo Stock Exchange, has experienced a spectacular resurgence.

After the “lost decades” that followed the collapse of Japan’s asset bubble in the 1990s, the Tokyo market reached historic highs again in 2024, surpassing its previous record for the first time in 34 years.

This milestone signals a strong revival of the Japanese economy, driven by structural reforms.

The Shanghai Stock Exchange (SSE) is also one of the largest markets in the world, with fast-growing companies such as PetroChina and Bank of Communications, tracked by the SSE Composite Index.

The Shenzhen Stock Exchange (SZSE) is China’s second major exchange and focuses on technology and growth companies.

Finally, the Hong Kong Stock Exchange (HKEX), with its Hang Seng Index, remains a strategic financial gateway between Asia and Western markets, hosting companies such as Tencent, Alibaba, and HSBC.

The Dominance of Technology Stocks: A Major Transformation

The most defining trend of the past decade has undoubtedly been the rise of technology giants within global stock indices.

In 2017, the 100 largest companies in the world had a combined market capitalization of \$17.438 trillion.

Today, Apple, Microsoft, and Nvidia alone represent more than \$9 trillion — over half of what the world's top 100 companies were worth just eight years ago.

This unprecedented concentration raises new questions about market stability.

If a small number of companies account for such a large share of global indices, a significant drop in their valuations could have systemic consequences for the entire financial system.

Conclusion

Global stock markets in 2025 are larger, more interconnected, and more dominated by technology than at any other point in history.

Beyond major national indices, we are also seeing the emergence of sectoral indices — such as energy or healthcare — and thematic indices focused on major global challenges like climate transition or population aging.

Understanding these markets and their indicators has never been more essential for anyone seeking to navigate today's global economy.

Join us for the next episode of EconoMag!

Vocabulary:

Stock market – Marché boursier

Stock exchange – Bourse (place de marché)

Stock market index – Indice boursier

Shares / Stocks – Actions

Bonds – Obligations

Commodities – Matières premières

Currencies – Devises / Monnaies

Futures contracts – Contrats à terme

Market capitalization – Capitalisation boursière

Investors – Investisseurs

Traders – Traders / Commerçants en bourse

NYSE (New York Stock Exchange) – Bourse de New York

NASDAQ – NASDAQ

Dow Jones Industrial Average – Indice Dow Jones

S&P 500 – S&P 500

Euronext – Euronext

CAC 40 – CAC 40

DAX (Deutscher Aktienindex) – DAX (indice allemand)

FTSE 100 – FTSE 100

Nikkei – Nikkei

Shanghai Stock Exchange (SSE) – Bourse de Shanghai

Shenzhen Stock Exchange (SZSE) – Bourse de Shenzhen

Hong Kong Stock Exchange (HKEX) – Bourse de Hong Kong

Hang Seng Index – Indice Hang Seng

Technology stocks – Actions technologiques

Sectoral indices – Indices sectoriels

Thematic indices – Indices thématiques

ESG (Environmental, Social, Governance) – ESG (Environnemental, Social, Gouvernance)

Liquidity – Liquidité

Financial system / Stability – Système financier / Stabilité