

Shares have traded in Baltimore since 1803 and the Baltimore Stock Board was established on February 26, 1838. A new Baltimore Stock Board was founded on July 29, 1844 by seven brokers, changed its name to the Baltimore Stock Exchange on May 14, 1881 and moved into its new building on June 25, 1881. Shares in local turnpikes and the Baltimore and Ohio Railroad traded on the Baltimore exchange. New offices were opened at 45 W. Fayette St. on June 23, 1865. The Baltimore Stock Exchange was acquired by the Philadelphia Stock Exchange in 1949 and became the Philadelphia-Baltimore Stock Exchange.

The Baltimore Stock Exchange was always smaller than the three other exchanges that were open in the 1800s, Boston, New York and Philadelphia. Table 1 compares the number of stocks listed in the Sylla database in those four cities. It is notable that until 1820, Baltimore had more listings than Boston and New York. This was mainly because of the turnpikes that listed in Baltimore. After 1840, while other exchanges added new listings to their exchange, Baltimore had fewer listings each year.

Year	Baltimore	Boston	New York	Philadelphia	Total	
1790				1	1	1
1800			2	5	6	8
1810	23	6		16	19	48
1820	24	8		23	25	57
1830	36	33		40	34	105
1840	40	83		58	66	193
1850	26	132		54	52	214
1860	24	186				

Table 1. Securities listed in Sylla Database, 1790 to 1860

The Financial Record published monthly prices on stocks listed on the four primary exchanges between 1880 and 1920 and the *Bank and Quotation Record* continued this until 1970. A comparison of the listings on the five main stock exchanges is provided in Table 2. Of the five, Baltimore generally had the smallest number of stocks listed. By 1949 when the exchange merged with the Philadelphia exchange, there were only 17 common stocks listed in the *Bank and Quotation Record*.

Year	Boston	Philadelphia	Baltimore	Chicago	NYSE
1880	17	15	3		153
1890	71	42	16	12	267
1900	230	136	52	34	330
1910	182	89	48	58	344
1920	181	75	64	111	698
1930	150	72	58	454	1441
1940	78	34	31	287	1014

Table 2. Securities listed on Five Exchanges, 1880 to 1940

Figure 1 compares the performance of stocks listed on the Baltimore Stock Exchange with the performance of the GFD US-100 Index. The Baltimore Stock Exchange Index outperformed the US-100 up until 1840, primarily due to the exclusion of the Second Bank of the United States from the index; however, after 1840, the US-100 provided better returns than the Baltimore Stock Exchange Index. By the 1870s, the US-100 clearly had a higher return than the Baltimore SE Index and this remained true until 1950. Between 1803 and 1950, the price index for the Baltimore SE returned only 0.69% per annum growing 2.75-fold while the US-100 returned 1.48% per annum growing 8.6-fold. As we have seen with the other exchanges, the superior performance of the Baltimore SE until 1840 occurred primarily because of the exclusion of the Second Bank of the United States. After 1840, major railroads and industrial companies listed on the NYSE and only companies with a limited market around Baltimore traded on the Baltimore SE. This generated the inferior returns that occurred to stocks on the exchange.

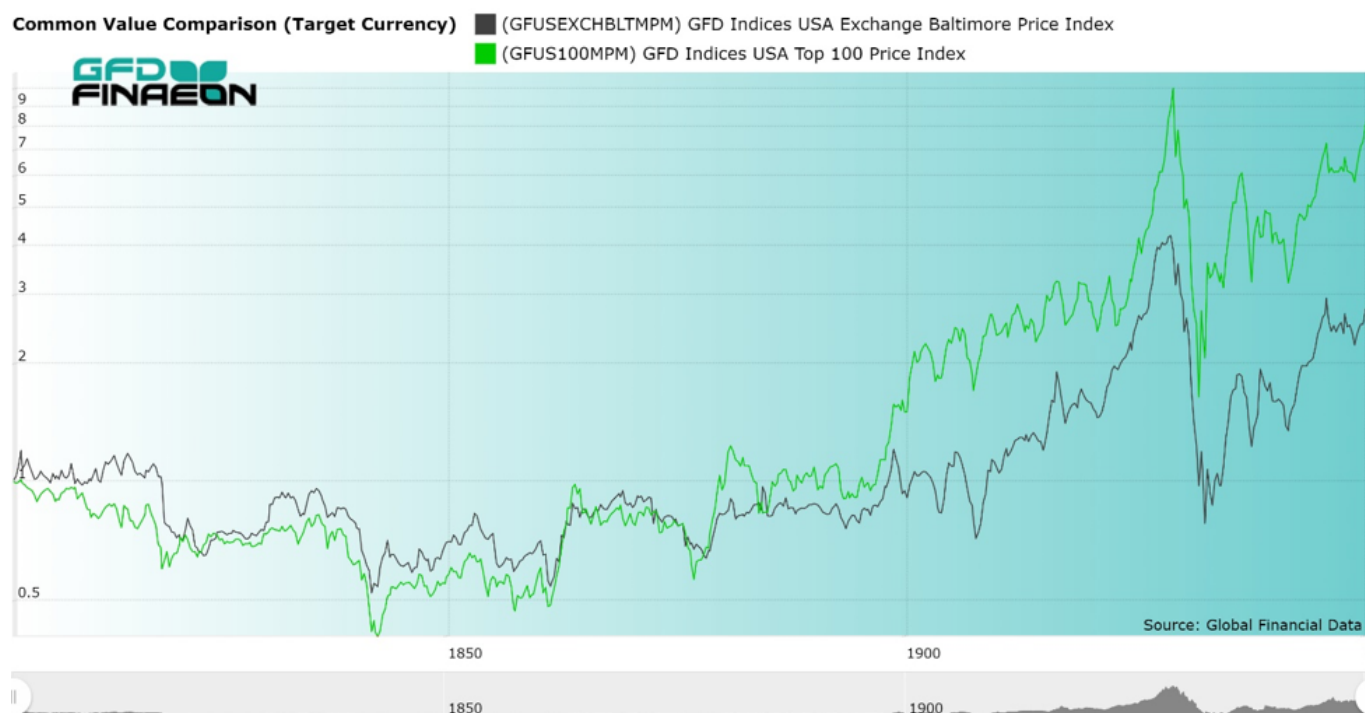


Figure 1. GFD Baltimore Stock Exchange Index and the US-100 Index, 1803 to 1950

The Pittsburgh and Washington Stock Exchanges

The Washington Stock Exchange merged with the Philadelphia-Baltimore Stock Exchange in 1957 and the Pittsburgh Stock Exchange was acquired in 1969. Unfortunately, there is insufficient data from these two exchanges to create an index for those two exchanges. While there are 746 common stocks from the Boston Stock Exchange in the US stocks and 286 stocks listed on the Baltimore stock exchange, there are only 141 stocks from the Pittsburgh stock exchange and 70 stocks from the Washington Stock Exchange

Data for the Baltimore Stock Exchange comes from a number of sources. Price data from 1803 to 1862 is taken from Richard E. Sylla, Jack Wilson and Robert E. Wright, "The Price Quotations in Early U.S. Securities Markets 1790-1860." *The Commercial and Financial Chronicle* began publication on July 1, 1865 and the end-of-month issue is used from 1865 to 1895 to collect price data. The Commercial and Financial Chronicle's *Quotation Supplement* began publication on May 11, 1895 and it is used between 1895 and 1928. *The Bank and Quotation Record* is used beginning in February 1928 until the Baltimore Stock Exchange was acquired in 1949. In addition to the *Commercial and Financial Chronicle*, W.B. Dana published its *Handbook of Securities* which provided monthly data on Baltimore stocks between 1886 and 1925 and Pittsburgh from 1907 to 1921. In addition to this, the *Investor's Pocket Manual* is used between 1913 and 1928 for all three exchanges.

Isaac F. Nicholson, *Baltimore Stock Exchange Historical Sketch*, Baltimore: Williams & Wilkins Co., 1899 was the only book I was able to find on the Baltimore Stock Exchange. *The Investor's Handbook of Washington Securities: banks, trust companies, insurance, gas, telephone, and title companies, street railways and miscellaneous securities*, Washington D.C.: A.K. Parris was published periodically between 1900 and 1910. Henry E Wallace and Charles M. Goodsell, eds., *The Manual of Statistics: Stock Exchange Handbook*, New York was published between 1884 and 1923 and provides a good source for data on dividends and shares outstanding. The Commercial and Financial Chronicle began publishing the Financial Review in 1879 which provided monthly data on Baltimore stock prices beginning in 1886. The *Investors' Supplement* began publication in April 1875 and provided information on securities traded in New York and other cities. Poor's *Manual of Industrial Securities* was published between 1900 and 1940 and Moody's *Manual of Industrial Securities*, *Manual of Railroad and Corporation Securities*, *Manual of Railroads/Transportation Securities* and *Moody's Manual of Bank & Finance Securities* published between 1900 and the present. The *Dividend Record*, published by Standard and Poor's and by Moody's were also used from 1929 on.