THE COMPLETE
TRADER'S *Edge*
FRAMEWORK · MIND · METHOD · MONEY

CTE RESEARCH SHEET · No. 04

Amsterdam 1602

The City That Invented the Stock Market

THE FIRSTS · 1602 – 1688

1602
The VOC holds history's first IPO

1608
Le Maire runs the first short attack

1611
The first exchange building opens

1637
Tulip Mania, the first bubble, bursts

1688
The first book on trading is written

1799
The VOC is dissolved after 197 years

Documented firsts of the Amsterdam market. Every exchange on earth descends from these.

Inside: the full timeline, the recurring lessons, and the key numbers.

PART ONE

The Timeline

THE INVENTION · 1602-1611

- **1602** The VOC charters and holds the first IPO: 1,143 Amsterdam investors
- **1602** Shares are transferable, creating the first liquid stock market
- **1611** Amsterdam opens the world's first exchange building

THE DARK ARTS ARRIVE · 1608-1610

- **1608** Isaac Le Maire's syndicate invents organised short selling
- **1610** The first short-selling ban is issued, and proves unenforceable

THE TOOLKIT COMPLETES · 1620s-1630s

- **1623** The West India Company becomes the second listed stock
- **1630s** Futures, options and margin trading are in daily use

TULIP MANIA · 1634-1637

- **1636** Speculation in tulip futures spreads far beyond the wealthy
- **1637** Bulbs rise 26x in a month; one bulb is priced like a canal house
- **1637** In February, buyers vanish; contracts settle at ~3.5 cents on the guilder

THE LEGACY · 1688-1799

- **1688** De la Vega writes Confusión de Confusiones, the first trading book
- **1799** The VOC dies; the market it built conquers the world

1602

PART TWO

The Recurring Lessons

1. **Markets were born complete.**
   Longs, shorts, options and manipulation all appeared within one generation.
2. **The asset changes; the bubble never does.**
   Tulips, dot-coms and meme stocks follow the same arc.
3. **Price is a story people agree on.**
   When the agreement breaks, it breaks all at once.
4. **Liquidity is a fair-weather friend.**
   In Haarlem in February 1637, there were simply no bids.
5. **Bans do not stop behaviour.**
   The 1610 short-selling ban failed, as almost all have since.
6. **The crowd is the real instrument.**
   You are never trading the asset; you are trading the people around it.
7. **Nothing essential has been invented since.**
   Four centuries of markets run on Amsterdam's machinery.

> *"Profits on the exchange are the treasures of goblins. At one time they may be carbuncle stones, then coals, then diamonds, then flint-stones, then morning dew, then tears."*
>
> — Joseph de la Vega, 1688

THE TRANSFORMATION

1 bulb → 1 canal house

What the Semper Augustus tulip was worth at the peak of the mania, 1637.

1,143
investors in history's first IPO, 1602

26x
Witte Croonen bulbs in one month, 1637

3.5%
what tulip contracts finally settled at

VOC