

**PRACTICAL HINTS FOR
INVESTING MONEY: WITH AN
EXPLANATION OF THE MODE OF
TRANSACTING BUSINESS ON THE
STOCK EXCHANGE**

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Practical Hints for Investing Money: With an Explanation of the Mode of Transacting Business on the Stock Exchange by Francis Playford

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FRANCIS PLAYFORD

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By FRANCIS PLAYFORD,

SWORN BROKER.

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PRACTICAL HINTS
FOR
INVESTING MONEY.

ON THE FUNDS GENERALLY.

THE subject of Investments effected through the Stock Exchange—that is, in the Government Funds, Foreign Securities, Railways, Public Companies, &c.—is of such importance, as to claim great attention from the general public, as well as from those more immediately concerned in such operations; and as many persons desirous of depositing their money therein either do not understand at all, or at any rate have a very imperfect acquaintance with the nature of the business—not sufficient indeed for ordinary self-protection in such operations—the attentive perusal of the following pages may enable them to transact business through their Stockbroker with all requisite confidence, without at the same time compromising their own interests by any undue reliance on their agents' integrity.

The following facts will abundantly show, that in buying or selling of the Funds, the public have every

security against fraud, if they will only avail themselves of that self-protection which is allowed them by the laws and customs of the Stock Exchange.

In the first place, the prices of all Stocks usually dealt in are published in the daily papers, the prices so stated being the rates (or marks) at which bargains were actually effected, together with the closing price of the day ;—that is, *two prices* are exhibited, at the *lowest* of which the public might have *sold*, and at the *highest* of which they might have bought, at the time when they were quoted—namely, on the day previous to the publication of such prices in the newspapers :—and, unless the next morning's papers should contain intelligence of national importance, or some sudden demand or supply should affect particular Stocks, the prices of the day ensuing will begin much the same as those stated in the morning journals. Thus, the quotations are generally given at so much for every £100 Stock ; and Consols (an abbreviation for Consolidated Three per Cent. Annuities) being quoted at $91\frac{1}{2}$ to $\frac{1}{2}$, would mean that the public could sell £100 Stock at $91\frac{1}{2}$ —that is, £91 2s. 6d.,—or buy the same amount at $91\frac{1}{4}$ —that is, £91 5s.,—the amount dealt in, whether larger or smaller, being calculated according to the same proportion. In case either of buying or selling, the Broker's commission amounts to $\frac{1}{4}$ per cent., or 2s. 6d. for every £100 Stock, which sum is added to the cost of a purchase or deducted from the proceeds of a sale. It is worthy of remark, too, here,

that the trifling difference of only 2*s.* 6*d.* between the buying and selling price operates immensely to the advantage of the public by, in all cases, protecting them from fraud; for they have the two prices offered by the Jobber (or dealer in Stock) to the Broker, before the former knows which the latter intends doing—whether to buy or sell.

In fact, it is principally due to the full security and protection afforded to the public by this custom of the Money Market, and also to the wonderful facilities that exist for the purchase or disposal of Stock in any given quantity, great or small, that our Government Securities have become so general a field of investment;—added to which, our National Debt holds a position of substantial credit, unequalled by any description of Stock whatever, in this or any other country in the world;—and, what is of infinite importance to the holders, the Dividends are paid with an undeviating regularity worthy the high position of Great Britain, as the greatest commercial nation in the world. The above remarks apply more especially to Government Securities; for it must be understood, that should any security for a large amount, however good, be subject to difficulties in the way of investment or transfer, either through time or expense incurred in their negotiation (as in the case of Railway and other investments), it will of necessity stand in less favour with the public than the ordinary Funds, which change hands daily and hourly to so great an extent, and in all conceivable sums.

THE MODE OF PURCHASE, SALE, AND TRANSFERRING OF STOCK.

Every transaction in the Stock-Market, whether in the Government Funds, Railway, or other Securities, must in every case be effected through the medium of a Broker, who thus becomes the indispensable agent and adviser of the purchaser. Having consulted the Broker (we are now speaking of Government Stocks), and having given him the requisite instructions, the Purchaser, whether male or female, should, on receipt from the Broker of the purchase-memorandum, usually termed the Stock-receipt, which, in ordinary cases, is ready at half-past two, go with him to the Transfer Office in the Bank of England—or, in common parlance, “the Bank”—and see that the proper amount of Stock is entered or transferred in the Bank-books to his or her own name, and should also sign the Transfer-book—an act which will give the clerks a knowledge of the purchaser’s signature, and thus furnish, in some degree, a safeguard against forgery. This is called “Accepting*

* In cases of either Sale or Purchase it is necessary that the Broker should receive his orders as soon after 11 o’clock in the morning as possible, as the Bank will not receive instructions for a Transfer after 1 o’clock, except upon payment of a fee of 2s. 6d. Tuesdays, Wednesdays, Thursdays, and Fridays, are the Public Transfer days; Mondays and Saturdays are private days; but Transfers can be effected upon payment of a fee of 2s. 6d. each. All Transfers must be executed by the Seller before half-past two o’clock, except upon Saturdays, when 1 o’clock is the latest hour of Transfer, as the Transfer Offices and the Stock Exchange close at 2 o’clock on the latter day.