

Long vs Short Position



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Presented by:

What is a **long position** in the stock market?

Long position in stock market is taken on when a *trader or investor* has **bought** shares of stocks anticipating that price will go **up** and that he/she/they will make profits. In this scenario, after buying, trader or investor owns shares of the stock.

To exit the **Long position**, the trader or investor will have to **sell** shares owned.



What is a **short position** in the stock market?

Short position in stock market is taken on when a *trader* or *investor* has **borrowed** shares of stocks from someone (e.g. broker) anticipating that price will go **down** to make profits! Trader and investor borrowed shares of the stock and does not own them.

To exit the **Short position**, the trader or investor will need to **buy** to **cover** borrowed shares.

