

What are stocks?



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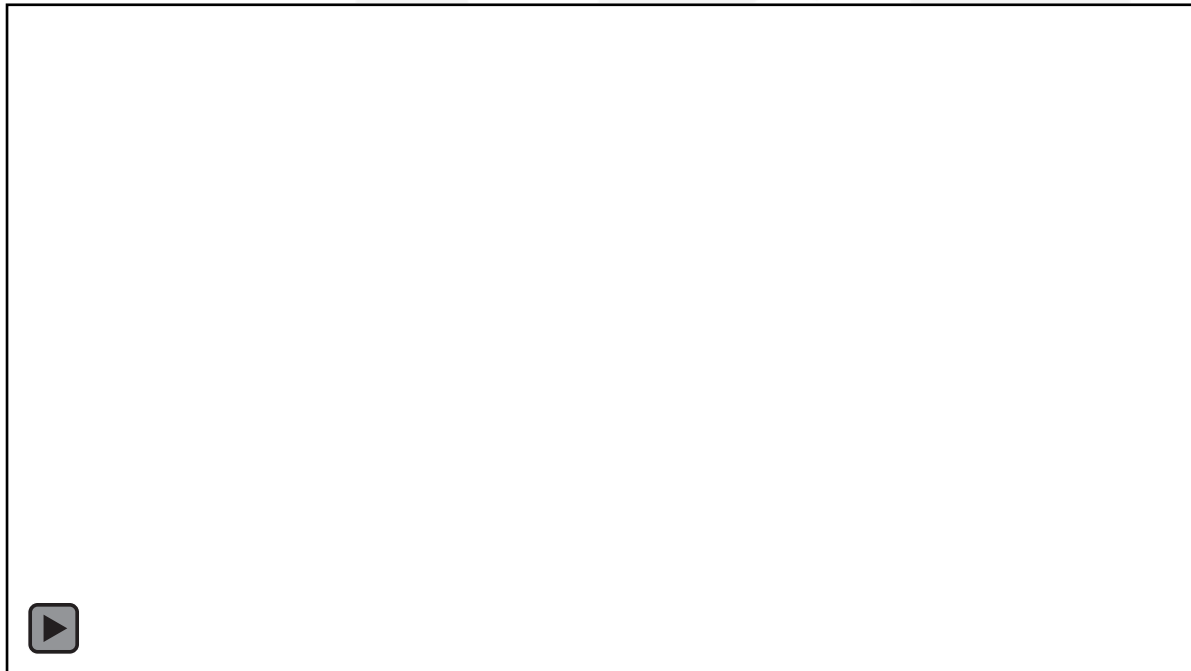
Presented by:

What are stocks?

1) **Stock** represents a unit of ownership of a publicly traded company/corporation that has issued it.

2) **Stock** is offered by companies/corporations so that they raise capital for themselves.

3) **Stocks** are also called *equities*.



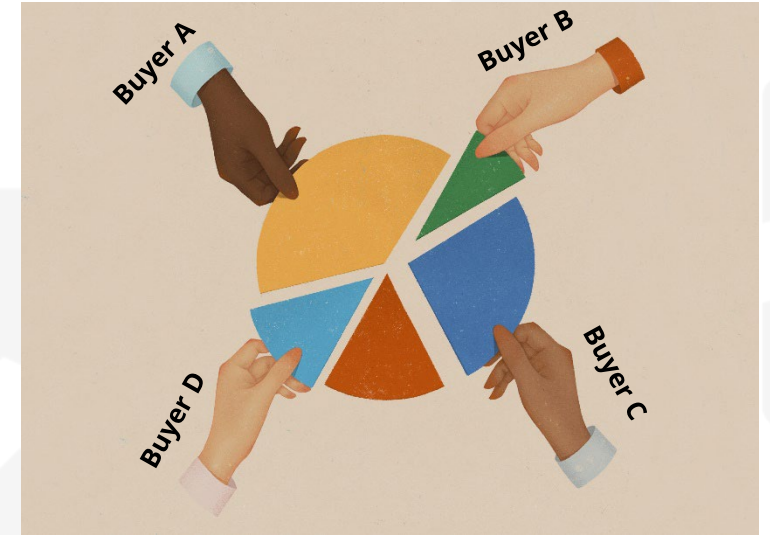
What are shares of a stock?

4) **Stocks** have their own units, which are called **shares**. Basically, stock is divided into shares that are sold to investors and traders.

Note: shares and stocks are often used as same thing, but they are technically different.

5) **The number of shares (volume)** that a **buyer** acquires, represents then the portion of the company/corporation that the **buyer** owns.

Stock shares



Note: Once a **buyer** owns (holds) certain **number of shares**, they become one of the many **shareholders**.

What is shareholder?

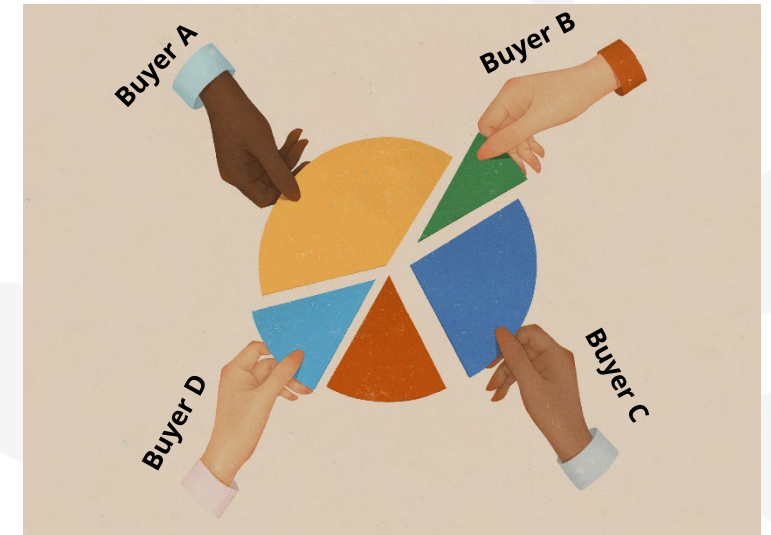
6) Usually when you **buy** something, you own it 😊
It is same with the stock! After you **buy** certain volume of the stock (number of shares), you become their owner and a **shareholder**.

So, you become basically an owner of a fraction of the companies outstanding shares... till you **sell**.

*For example, if company is offering a stock with **5000 shares** total and **you buy 500 shares** - it means you **owe 10%** of the company's shares (but not of the company!).*

Note: Outstanding shares is totality of the stock that is held by all its shareholders.

Stock shares



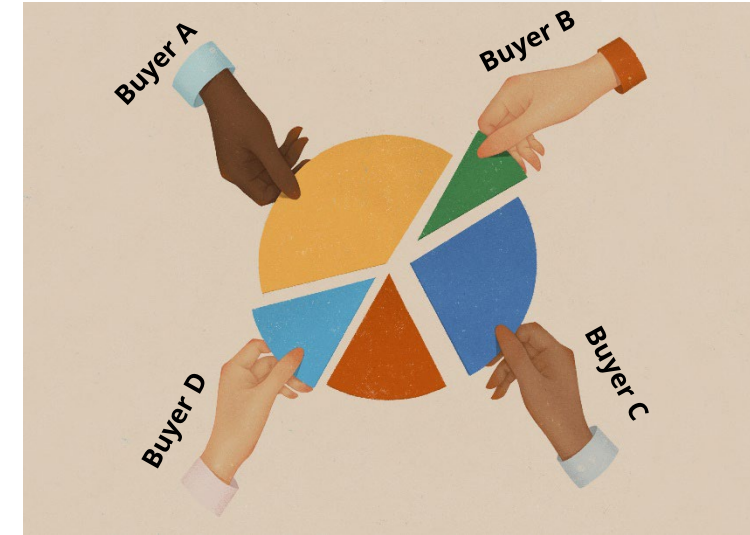
Shareholders have rights and privileges.

7) **Buyer** that bought certain number of shares of a stock has also gained some **rights** and **privileges** as a **shareholder** within the company. For example, buyer may be able to vote in shareholders meetings or receive some payouts in way of dividends (if they exist). Finally, **buyer** can **sell** shares to someone for a profit.

8) If the **buyer** bought majority of the outstanding shares, the influence and rights within the company increases, even to the level that buyer can possibly dictate how should company act and its direction.

Note: There is so-called "**acquiring buyer**" that will **buy** all the shares.

Shareholders



What are dividends?

9) As a shareholder, **buyers** are entitled to the **earnings (profit)** of the company whose shares they own. This can be achieved through the **rise in the price** (the value) of shares they own, which is also termed “appreciation”.

10) Another way to profit from shares is through **dividends**. **Dividends** is the payout per share owned to the shareholders of company's earnings. This is done either as cash or as additional shares.

However, many companies do not offer dividends (money raised is being reinvested).



Who can buy shares of a stock?

*Anyone who has capital to invest can **buy** and **sell** stocks freely on these unique places called stock markets!*



Stocks and day trading shares of stocks remain to be perceived as a risky investment, but historically they **performed better** than any other asset, even gold!

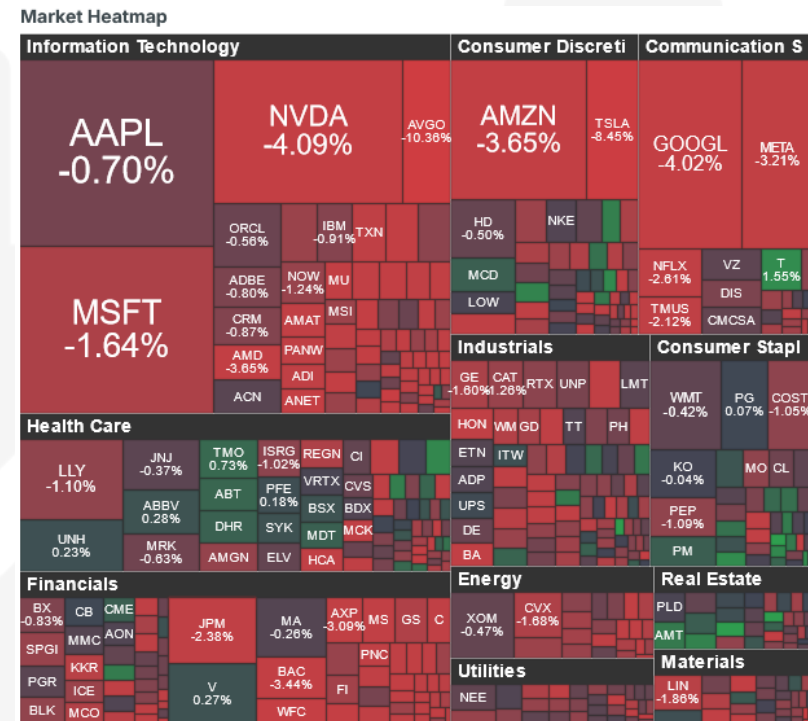
The **stocks** are one of the asset that you liquidate *very easily* and *get the cash out instantly*. Think how long it takes to sell a house for example.

There are many stocks to choose from.

There are tens of thousands of **stocks** to choose from, you can easily *diversify* into different stocks of your interest.

All the **information** about every single **stock** is **available** from number of resources (e.g. www.tradingterminal.com).

We will learn how to choose the best stocks to trade each day out of tens of thousands, which will give us the best opportunities.



www.tradingterminal.com

On 09/08/2024

Each stock has a ticker symbol!

Stock ticker symbols are specific letter codes identifying the company that issued the stock. These ticker symbols are usually long one to five letters.

Stock ticker symbol is usually associated in a way with the companies full name.



Each stock has a ticker symbol!

Examples:

AMZN is a stock ticker symbol for company ***Amazon***.
TSLA is a stock ticker symbol for company ***Tesla***.

Day traders will use these ticker symbols to streamline buying and selling shares of a specific stock.

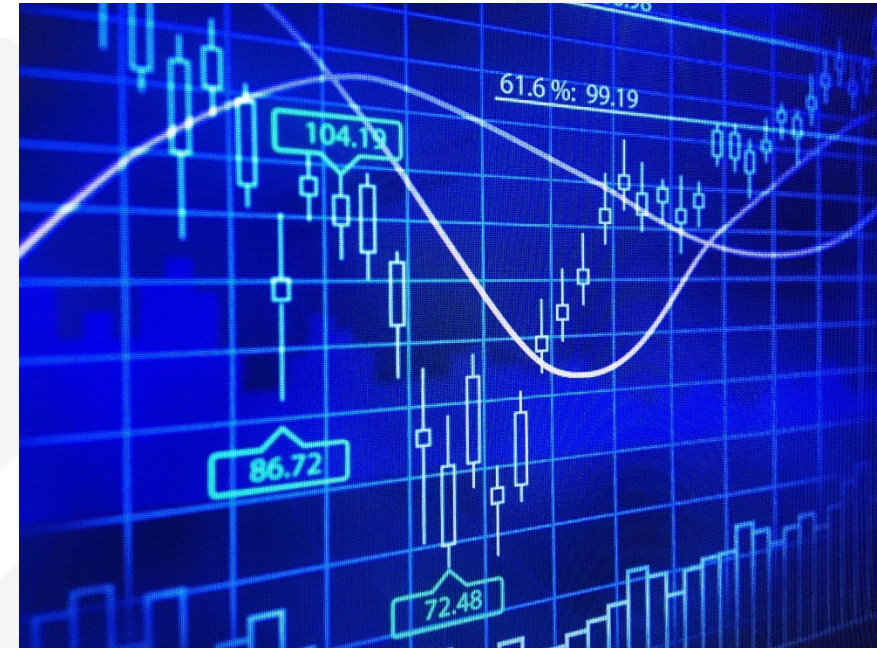


It is all about the price change.

Prices of **shares of a stock** can move widely, with some wild higher and higher prices, or with wild lower and lower prices, or wild high and then wild low price.

Short-term fluctuations of share prices of a stock are inevitable!

Day traders will benefit from this so-called **price volatility**, which means how much does the price change over certain time period.



ASTS stock and shares example

Company description:

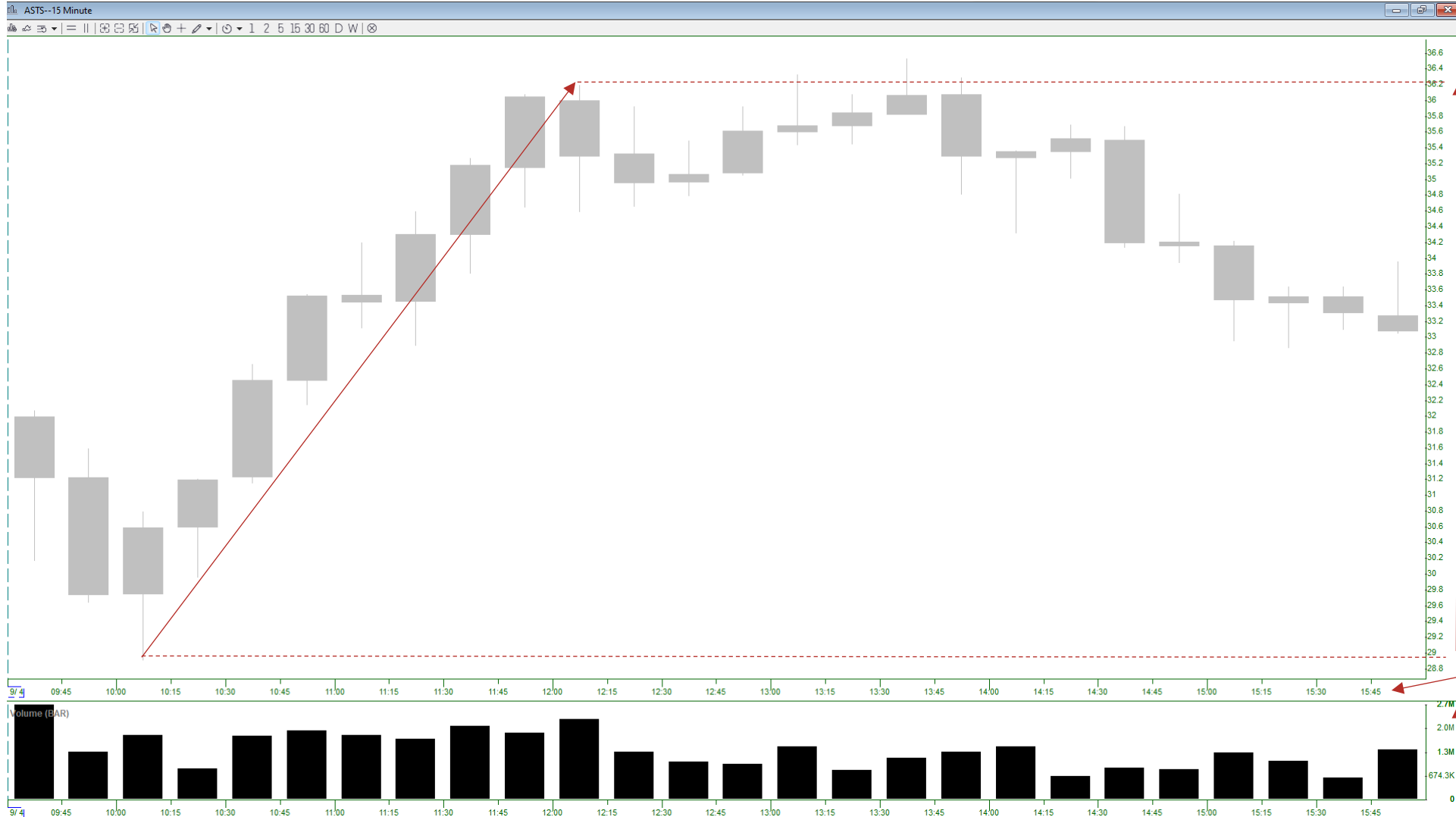
AST SpaceMobile, Inc. operates space-based cellular broadband network for mobile phones. Its SpaceMobile service provides mobile broadband services for users traveling in and out of areas without terrestrial mobile services on land, at sea, or in flight. The company is headquartered in Midland, Texas.

Shares outstanding (*totality of the stock that is held by all its shareholders*): 158.04M

Average volume (number of shares) transacted per day: 15.70M

Data obtained from www.tradingterminal.com

ASTS stock price volatility example that day traders will benefit from: price of shares moved from \$28.90 to \$36.20 in less than 2 hours on 09/04/2024.



Intraday price change in shares that day traders will benefit from!

Time of the day

Volume (number of shares) transacted between buyers and sellers change at each time period.