



Types of Stock

Blue Chip Stock

Issued by a globally recognized company. Known for quality management, products, and services. Has the ability to pay dividends in good and bad times.

- Examples; DIS (Disney), JNJ (Johnson & Johnson), MMM (3M)

Growth Stock

Issued by a company that is expected to have above-average growth in revenues and earnings. A high percentage of retained earnings. Pays little or no dividend. High risk, high return.

- Examples; SPWR (SunPower), PLTR (Palantir), MRNA (Moderna Inc.)

Defensive Stock

Stocks that have no significant increase or growth, but stable and consistent earnings year after year are expected. Such as food companies, pharma companies, auto-repair, and big tobacco.

- Examples; PFE (Pfizer), (TGT) Target Corp, (UPS) United Parcel Service.

Cyclical Stock

A stock that is affected by macroeconomic or systematic changes in the overall economy. This follows economic trends closely.

- Examples; F (Ford), GE (General Electric), X (U.S. Steel Corp.)

Counter-Cyclical Stock

Stocks that move in the opposite direction of normal business and economic cycles. Negatively correlated to economic trends.

- Examples; GOLD (Barrick Gold), MCD (McDonald's), MO (Altria)

Utility Stock

Provides water, gas, electricity, etc. Generally, offer above-average dividend yields. Changes in interest rates have a high effect. Price history averages low volatility from this type of stock.

- Examples; NRG (Duke Company), NGG (National Grid), AES (Aes Corp)

ETF, Exchange Traded Fund

This is not a stock, it's something entirely different. It is an investment that in most cases, has a diversified amount of holdings. It can also track an index, sector, commodity, or another asset. An ETF can be bought or sold on the exchange the same as a regular stock. Interested in diversifying your investments with ease? Check out our ETF Guide in Investing Education.

- Examples; SPY, QQQ, SMH, OGIG