



MARKET VOCABULARY

- **Bullish** – Expecting prices to increase.
- **Bearish** – Expecting prices to decrease.
- **Candlesticks** – A visual measurement of how a stock moves in a specific time period.
- **Security** – Something that holds value and can be traded between individuals. Such as stocks, funds, indexes, etc.
- **Long** – Purchasing a security that you own.
- **Short** – Selling a security that you do not own.
- **Equity** – A piece of a company or fund that someone is able to own; also known as a share.
- **Options Contract** – A contract that gives the person the right, but not the obligation to buy or sell shares at a predetermined price and date. These contracts have a value. Options traders will buy and sell contracts and profit from price changes.
- **Bid** – The current highest price a buyer will purchase a position for.
- **Ask** – The current lowest price a seller is willing to sell a position for.
- **Spread** – The difference between the bid and ask of a position.
- **Price Target** – A projected price of a stock in the future, generally within a specific time frame.
- **Take Profit** – To secure open profits by selling part or all of a position.

- **Trimming** – Exiting a portion of a trade, but not the whole position.
- **Stop Loss** – The most a trader is willing to lose before exiting a position.
- **Trend** – The overall direction of price; uptrend or downtrend.
- **Support** – A level or point in which demand increases, making it hard for the stock to break below.
- **Resistance** – A level or point in which supply increases, making it hard for the stock to break above.
- **Continuation** – When the price of a stock continues in the same direction after reaching an area of interest.
- **Reversal** – When the price of a stock changes direction after reaching an area of interest.
- **Consolidation** – When price ranges within an area or pattern and does not continue or reverse in a given direction.
- **Pattern** – Formations created by the movements of a stock. Traders will wait for a break of a pattern and look for continuation or reversal.
- **Volatility** – A measurement of price fluctuations. Higher volatility means larger fluctuations and vice versa.
- **Momentum** – The velocity or strength of a price swing.
- **Cash Account** – A trading account where the owner must pay full price for all positions. This limits buying power, but is a safer account type.
- **Margin Account** – A trading account where the broker lends the trader/investor cash, but they use the account as collateral. This increases buying power, but also risk.