

Day 1 – Stock Market Course (Nexyraa)

Course Objective: Establish a solid foundation in stock market basics – Beginner to Strong Foundation

Agenda:

Today we will explore the fundamentals of the stock market, including how it works, the role of investors, and the importance of research. We will also discuss the different types of stocks and the factors that influence stock prices. By the end of this session, you will have a clear understanding of the basics of the stock market and be ready to start your own investment journey.

1. What is the Stock Market?

The stock market is a marketplace where investors buy and sell shares of publicly traded companies. It is a place where investors can own a piece of a company and potentially earn a profit. The stock market is a complex system with many moving parts, but understanding the basics is the first step to becoming a successful investor.

There are two main types of stocks: common stock and preferred stock. Common stock gives the owner the right to vote on company matters and the potential for capital appreciation. Preferred stock typically pays a fixed dividend and has priority over common stock in the event of liquidation.

2. How does the Stock Market work?

The stock market operates through a system of ownership. When you buy a share of a company, you become a partial owner of that company. The value of the share is determined by the market, and it can fluctuate significantly over time.

Key Concepts:

Investing involves buying and holding shares for the long term, typically more than 1 year. The goal is to grow your wealth over time. Trading involves buying and selling shares frequently, often within a short period. The goal is to profit from short-term price movements.

3. What are the different types of stocks?

- Common Stock (Capital Gain)
- Preferred Stock
- Dividend Stocks (wealth creation)

4. Trading vs Investing

Investing: Focuses on long-term growth and wealth accumulation.

Trading: Focuses on short-term price movements and profit-taking.

5. Risk Management (Risk) and Diversification

Risk is the potential for loss. Diversification is the process of spreading your investments across different assets to reduce risk.

Key factors to consider when managing risk include: diversification, discipline, patience, and risk tolerance.

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7. Important Terms:

- Share
- Price
- Profit
- Loss
- Investor
- Trader

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Nexyraa Stock Market Learning Series