

# Further understanding of Stocks: Technical Analysis

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# Technical terms: 1) Volume & Liquidity

**Volume:** The number of shares of a stock traded during a given period. It indicates how actively the stock is being bought and sold.

**Average Daily Trading Volume:** The average number of shares traded per day over a specific period. It gives an idea of the stock's normal trading activity.

**Liquidity:** The ease with which an asset (like a stock) can be bought or sold in the market without significantly affecting its price.

**Bid Price:** The price at which a buyer is willing to purchase a stock.

**Ask Price:** The price at which a seller is willing to sell a stock.

**Spread:** The difference between the highest bid price and the lowest ask price. It represents the transaction cost of buying and selling.