

Stocks represent ownership in a company, granting the shareholder a claim on its assets and earnings. By purchasing a stock, you acquire a small portion of the company, known as a share. Stocks are traded on exchanges like the New York Stock Exchange (NYSE), Nasdaq, or the Toronto Stock Exchange (TSX), where buyers and sellers interact to determine prices based on supply and demand. There are different types of stocks, each with unique features. Common stocks give shareholders voting rights and potential dividends, although dividends are not guaranteed. Preferred stocks, on the other hand, prioritize dividend payouts over common stocks but usually lack voting rights. Growth stocks belong to companies expected to expand significantly, often reinvesting profits back into the business rather than paying dividends. Dividend stocks, conversely, appeal to investors seeking steady income, as these companies regularly distribute a portion of their profits. Blue-chip stocks represent shares of well-established, financially stable companies with a proven history of strong performance and reliability. Trading stocks typically involves brokers or online platforms, making it accessible to investors worldwide. While stocks offer the potential for substantial returns, they also carry risks, as their value is influenced by company performance, market conditions, and economic factors.