

Stock Market Terms PDF

The stock market can feel like learning a new language. This comprehensive glossary is designed to explain over **150 essential terms**, from the absolute basics to more advanced concepts. Whether you're a complete beginner building your foundation or an experienced investor needing a quick refresher, this guide provides clear, concise definitions to help you understand the market and make more informed investment decisions.

Term	Category	Definition
52-Week High/Low	Technical Analysis	The highest and lowest price a stock has traded at over the past year.
ADR (American Depository Receipt)	Investment Types	A certificate that represents shares in a foreign company, traded on U.S. exchanges.
After-Hours Trading	Market Concepts	Trading of stocks after the official closing time of the major exchanges.
Alpha	Advanced Concepts	A measure of performance on a risk-adjusted basis, showing excess return vs. a benchmark.
All-or-None (AON) Order	Order Types	An order that must be executed in its entirety or not at all.
Analyst	Key Players	A financial expert who studies companies and makes buy/sell recommendations.
Analyst Ratings	Fundamental Analysis	Recommendations from financial analysts (e.g., Buy, Hold, Sell, Outperform).
Arbitrage	Advanced Concepts	The simultaneous purchase and sale of an asset to profit from a price difference.
Ask Price (Offer Price)	Order Types	The lowest price a seller is willing to accept for a security.
Asset Allocation	Strategies	An investment strategy that divides a portfolio among asset classes to balance risk and reward.

Asset Class	Investment Types	A group of similar investment types (e.g., Stocks, Bonds, Real Estate, Cash).
Auction Market	Market Concepts	A market where buyers enter competitive bids and sellers enter competitive offers simultaneously.
Backtesting	Technical Analysis	Testing a trading strategy on historical data to see how it would have performed.
Bear Market	Market Concepts	A period of declining stock prices (20%+ drop) and widespread pessimism.
Beta	Advanced Concepts	A measure of a stock's volatility in relation to the overall market.
Bid Price	Order Types	The highest price a buyer is willing to pay for a security.
Bid-Ask Spread	Order Types	The difference between the bid price and the ask price.
Blue-Chip Stock	Investment Types	Shares of a large, well-established, financially sound company.
Blue-Sky Law	Jargon	State regulations designed to protect investors from securities fraud.
Bollinger Bands	Technical Analysis	A volatility indicator consisting of a moving average and two standard deviation lines.
Bond	Investment Types	A loan made by an investor to a borrower (corporate or governmental) that pays interest.
Book Value	Fundamental Analysis	The net value of a company's assets minus its liabilities.
Breakdown	Technical Analysis	When a security's price moves below a support level.
Breakout	Technical Analysis	When a security's price moves above a resistance level.

Broker / Brokerage Account	Foundation	The platform or company that allows you to place trades (e.g., Fidelity, Robinhood).
Bull Market	Market Concepts	A period of rising stock prices and widespread optimism.
Call Option	Investment Types	A contract giving the owner the right to buy a stock at a set price by a certain date.
Capital Gains	Strategies	The profit from the sale of an asset. Can be short-term or long-term for tax purposes.
Chart	Technical Analysis	A visual representation of a security's price movement over time (Line, Bar, Candlestick).
Circuit Breaker	Market Concepts	A regulatory measure that temporarily halts trading to prevent panic-selling.
Closing Bell	Market Concepts	The symbolic end of the trading day on a stock exchange.
Collar	Jargon	An options strategy to protect against large losses, but also caps large gains.
Common Stock	Investment Types	The most typical form of stock, granting ownership and voting rights.
Compound Interest	Strategies	Interest calculated on the initial principal and accumulated interest from previous periods.
Correction	Market Concepts	A decline of 10% or more in the price of a security from its most recent peak.
Crash	Market Concepts	A sudden, dramatic decline in stock prices across a major cross-section of the market.
Cyclical Stock	Investment Types	A stock whose price is affected by macroeconomic cycles (e.g., autos, travel).
Day Order	Order Types	An order that cancels at the end of the trading day if it is not executed.

Day Trader	Key Players	A trader who buys and sells securities within the same trading day.
Dead Cat Bounce	Technical Analysis/Jargon	A temporary, short-lived recovery in a declining stock.
Debt-to-Equity Ratio (D/E)	Fundamental Analysis	A measure of a company's financial leverage.
Defensive Stock	Investment Types	A stock that provides consistent dividends and stable earnings regardless of the economy.
Derivative	Investment Types	A financial security whose value is derived from an underlying asset.
Diversification	Strategies	Spreading investments across various assets to reduce risk.
Dividend	Fundamental Analysis	A portion of a company's earnings paid out to shareholders.
Dividend Stock	Investment Types	Stock of a company that regularly pays dividends.
Dividend Yield	Fundamental Analysis	Annual dividend per share divided by the share price. A measure of income.
Dogs of the Dow	Jargon	An investment strategy of buying the highest-yielding stocks in the Dow Jones index.
Dollar-Cost Averaging (DCA)	Strategies	Investing a fixed amount of money at regular intervals, regardless of price.
Dow Jones Industrial Average (DJIA)	Market Concepts	A price-weighted index of 30 significant stocks traded on U.S. exchanges.
Due Diligence (DD)	Strategies	The research and analysis done before making an investment or business decision.
Earnings	Fundamental Analysis	A company's profits.

Earnings Call	Fundamental Analysis	A conference call where company management discusses financial results.
Earnings Per Share (EPS)	Fundamental Analysis	A company's profit divided by its outstanding shares.
EBITDA	Fundamental Analysis	Earnings Before Interest, Taxes, Depreciation, and Amortization. A measure of operational profitability.
ETF (Exchange-Traded Fund)	Investment Types	A basket of securities that trades on an exchange like a single stock.
Exchange	Foundation	The specific organized market where securities are traded (e.g., NYSE, NASDAQ).
Execution	Order Types	The completion of a buy or sell order for a security.
Ex-Dividend Date	Fundamental Analysis	The date by which you must own the stock to receive the declared dividend.
Fear & Greed Index	Jargon	A gauge of the primary emotions driving investor behavior.
Fill or Kill (FOK) Order	Order Types	An order that must be executed immediately in its entirety or not at all.
Free Cash Flow (FCF)	Fundamental Analysis	The cash a company generates after accounting for cash outflows to support operations.
Fundamental Analysis	Fundamental Analysis	Evaluating a security by analyzing its financial statements, health, and competitors.
Future	Investment Types	A financial contract obligating the buyer to purchase an asset at a set future date and price.
Golden Parachute	Jargon	A large compensation package given to top executives if they are terminated after a merger.
Good-'Til-Canceled (GTC) Order	Order Types	An order that remains active until it is executed or manually canceled.

Growth Stock	Investment Types	Stock of a company expected to grow at an above-average rate compared to the market.
Guidance	Fundamental Analysis	A company's own forecasts about its future earnings.
Hedge	Advanced Concepts	Making an investment to reduce the risk of adverse price movements in another asset.
Hedge Fund	Advanced Concepts	An aggressive, high-risk investment fund for accredited investors.
Immediate or Cancel (IOC) Order	Order Types	An order to execute immediately whatever portion is possible and cancel the rest.
Index	Market Concepts	A statistical measure of the changes in a portfolio of stocks representing a portion of the market.
Index Fund	Investment Types	A type of mutual fund or ETF designed to track the components of a market index.
Industry	Investment Types	A group of companies related by their primary business activities.
Initial Public Offering (IPO)	Investment Types	The first time a company sells its stock to the public on a stock exchange.
Institutional Investor	Key Players	A large organization that invests (e.g., pension funds, mutual funds, insurance companies).
Intrinsic Value	Fundamental Analysis	An estimate of a security's "true" value based on fundamental analysis.
Invest	Foundation	To allocate money with the expectation of generating income or profit over the long term.
Investment Bank	Key Players	A financial institution that assists companies in raising capital (e.g., via IPOs).
Large-Cap	Market Concepts	A company with a market capitalization typically over \$10 billion.

Limit Order	Order Types	An order to buy or sell a stock only at a specific price or better.
Liquidity	Market Concepts	How easily an asset can be converted into cash without affecting its market price.
MACD (Moving Avg. Convergence Divergence)	Technical Analysis	A trend-following momentum indicator.
Margin Trading	Advanced Concepts	Borrowing money from a broker to purchase securities. Amplifies gains and losses.
Market Capitalization (Market Cap)	Market Concepts	The total market value of a company's outstanding shares. (Share Price x Shares Outstanding).
Market Maker	Key Players	A firm that quotes both buy and sell prices to facilitate trading and provide liquidity.
Market Order	Order Types	An order to buy or sell a security immediately at the best available current price.
Market Sentiment	Fundamental Analysis	The overall attitude of investors toward a particular security or the market.
Mid-Cap	Market Concepts	A company with a market capitalization typically between \$2-10 billion.
Moonshot	Jargon	A highly speculative investment in a startup with extreme growth potential.
Moving Average (MA)	Technical Analysis	A line that smooths out price data to identify the direction of a trend.
Mutual Fund	Investment Types	A professionally managed fund that pools money from many investors to buy securities.
NASDAQ Composite	Market Concepts	An index of all stocks listed on the NASDAQ stock exchange, heavily weighted toward technology.
Opening Bell	Market Concepts	The symbolic start of the trading day on a stock exchange.

Option	Investment Types	A contract giving the owner the right to buy or sell a stock at a set price by a certain date.
Overbought	Technical Analysis	A condition where the price has risen too far too fast and may be due for a pullback.
Oversold	Technical Analysis	A condition where the price has fallen too far too fast and may be due for a bounce.
Payout Ratio	Fundamental Analysis	The percentage of earnings paid out as dividends to shareholders.
PEG Ratio	Fundamental Analysis	The P/E ratio divided by the growth rate of its earnings. Adds growth context to valuation.
Penny Stock	Investment Types	A very low-priced, high-risk stock, often trading for less than \$5 per share.
Portfolio	Foundation	An investor's collection of financial assets like stocks, bonds, and cash.
Portfolio Manager	Key Players	A professional responsible for making investment decisions for a portfolio.
Pre-Market Trading	Market Concepts	Trading activity that occurs before the official opening of the market.
Preferred Stock	Investment Types	Stock that typically has no voting rights but has a higher claim on dividends and assets.
Pre-Market Trading	Market Concepts	Trading activity that occurs before the official opening of the market.
Price-to-Book Ratio (P/B Ratio)	Fundamental Analysis	A ratio comparing a stock's market value to its book value.
Price-to-Earnings Ratio (P/E Ratio)	Fundamental Analysis	A valuation ratio comparing a company's share price to its earnings per share.
Profit Margin	Fundamental Analysis	The percentage of revenue that becomes profit (Gross, Operating, Net).

Put Option	Investment Types	A contract giving the owner the right to sell a stock at a set price by a certain date.
Quote	Jargon	The highest bid and lowest ask price for a security at a given time.
Rally	Market Concepts/Jargon	A period of sustained increases in the prices of stocks.
REIT (Real Estate Investment Trust)	Investment Types	A company that owns, operates, or finances income-producing real estate.
Relative Strength Index (RSI)	Technical Analysis	A momentum oscillator that measures the speed and change of price movements.
Resistance Level	Technical Analysis	A price level where a rising security tends to stop rising due to concentrated selling.
Retail Investor	Key Players	An individual, non-professional investor who buys securities for their personal account.
Return on Assets (ROA)	Fundamental Analysis	An indicator of how profitable a company is relative to its total assets.
Return on Equity (ROE)	Fundamental Analysis	A measure of profitability calculated as net income divided by shareholder equity.
Return on Investment (ROI)	Strategies	A simple measure of an investment's profitability.
Revenue	Fundamental Analysis	The total income generated from normal business operations.
Rebalancing	Strategies	Realigning the weightings of a portfolio to maintain a desired asset allocation.
Risk-On / Risk-Off	Strategies	Market settings where investors are eager/averse to take on risk.
Russell 2000	Market Concepts	An index measuring the performance of approximately 2,000 small-cap companies.

S&P 500	Market Concepts	A market-capitalization-weighted index of 500 large U.S. companies.
Sector	Investment Types	A large segment of the economy (e.g., Technology, Healthcare, Financials).
Sector Rotation	Technical Analysis	The movement of investment money from one industry sector to another.
SEC (Securities and Exchange Commission)	Key Players	The U.S. government agency responsible for regulating the securities markets.
SEC Filing (10-K, 10-Q)	Fundamental Analysis	Mandatory financial reports filed by public companies with the SEC.
Secular Market	Market Concepts	A long-term trend in the market that lasts for years.
Sector	Investment Types	A large segment of the economy (e.g., Technology, Healthcare, Financials).
Sharpe Ratio	Advanced Concepts	A measure for calculating risk-adjusted return.
Short Selling	Advanced Concepts	Selling a borrowed security with the hope of buying it back later at a lower price.
Small-Cap	Market Concepts	A company with a market capitalization typically between \$300 million - \$2 billion.
Slippage	Order Types	The difference between the expected price of a trade and the actual execution price.
SPAC (Special Purpose Acquisition Company)	Investment Types	A "blank check" company created to merge with a private company and take it public.
Standard Deviation	Advanced Concepts	A statistical measure of market volatility.
Stock Market	Foundation	The collective network of economic transactions for buying and selling company shares.

Stock / Share	Foundation	A unit of ownership in a corporation.
Stop Order / Stop-Loss Order	Order Types	An order to sell a security once it reaches a certain price, to limit losses.
Stop-Limit Order	Order Types	An order that becomes a limit order to sell once a specified stop price is reached.
Support Level	Technical Analysis	A price level where a falling security tends to stop falling due to concentrated buying.
Swing Trader	Key Players	A trader who holds positions for several days to weeks to capitalize on expected price moves.
Tank	Jargon	To decline significantly in price.
Tax-Loss Harvesting	Strategies	Selling securities at a loss to offset a capital gains tax liability.
Technical Analysis	Technical Analysis	Evaluating investments by analyzing statistical trends from trading activity.
The Fed (Federal Reserve)	Key Players	The central banking system of the United States.
The Street	Jargon	A common nickname for Wall Street and the financial industry.
The Tape	Jargon	Monitoring the prices and volume of trades in real-time.
Ticker Symbol	Foundation	The abbreviated company name used on a stock exchange (e.g., AAPL for Apple).
Trade	Foundation	The act of buying and selling securities, typically with a short-term focus.
Transfer Agent	Key Players	A company that keeps records of stock and bond owners.

Trend	Technical Analysis	The general direction of a market or asset's price (Uptrend, Downtrend, Sideways).
Value Stock	Investment Types	A stock that appears to be trading for less than its intrinsic value.
Volatility	Market Concepts	A statistical measure of the dispersion of returns for a security or market index.
Volume	Technical Analysis	The number of shares of a security traded during a given period.
Volume Profile	Technical Analysis	A chart that shows trading activity at specific price levels.
VWAP (Volume-Weighted Avg. Price)	Technical Analysis	The average price a security has traded at throughout the day, weighted by volume.
Whisper Number	Jargon	An unofficial, unpublished earnings per share forecast.
Window Dressing	Jargon	When fund managers buy high-performing stocks and sell losers to make portfolios look good.
Yield	Fundamental Analysis	The income returned on an investment, expressed as a percentage.