

# Investing notes

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10-19-2022

# 1 Analyzing a stock from Yahoo Finance

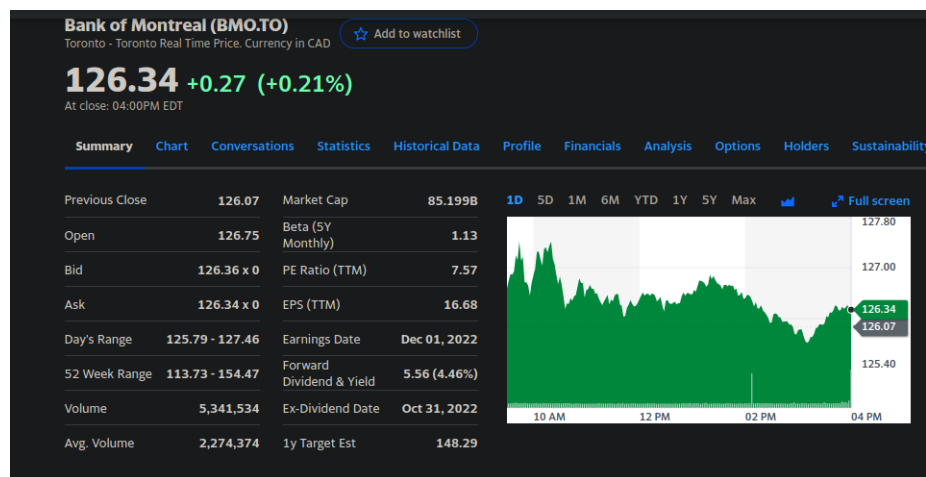


Figure 1: View of \$BMO.TO in Yahoo Finance

## 1.1 Analyzing the Summary Tab

- **Previous Close:** represents the last closing price reported of a security during a given time period; A security's previous close is an important value that is used by investors to chart gap patterns which can show substantial changes from a previous close to a new open.
- **Open:** AKA the opening price; this is the value that a security is initially valued when the exchange opens for the day.
- **Bid:** AKA the bidding price; A bid is an offer made by an investor, trader, or dealer in an effort to buy an asset or compete for a contract; The spread between the bid and asking price is a reliable indicator of supply & demand for the security.
- **Ask:** AKA asking price; The price at which someone is willing to sell a security for.
- **Range:** Refers to the difference between the highest & lowest prices a security or index ranges over an interval of time.
- **Volume:** Trading volume is a measure of how much a given asset has been traded over a period of time. For stocks, volume is measured in the number of shares traded, for futures & options, volume is based on how many contracts have changed hands. Volume can indicate market strength, as rising markets on increasing volume are typically viewed as strong and healthy.

- **Avg. Volume:**
- **Market Cap:** Market capitalization is calculated by multiplying the number of shares outstanding by the current price of a single share (i.e. A company with 50 mil shares & a stock price \$100 per share would have a market cap of \$5 bil). Market cap is a metric based on stock price. Market capitalization is used to help define the value of a company  
(*sdfg*)