

# AI-00044 100 economic key concepts relating to stock market price action

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List 100 economic key concepts relating to stock market price action

1. Stock Market
2. Stock Price
3. Equity
4. Share
5. Market Capitalization
6. Dividend
7. Earnings
8. Revenue
9. Profit Margin
10. Return on Equity (ROE)
11. Return on Assets (ROA)
12. Price-to-Earnings Ratio (P/E Ratio)
13. Price-to-Sales Ratio (P/S Ratio)
14. Price-to-Book Ratio (P/B Ratio)
15. Price-to-Cash Flow Ratio (P/CF Ratio)
16. Market Index
17. Benchmark
18. Dow Jones Industrial Average (DJIA)
19. S&P 500
20. NASDAQ
21. Russell 2000
22. Sector

23. Industry
24. Growth Stock
25. Value Stock
26. Blue-Chip Stock
27. Penny Stock
28. Initial Public Offering (IPO)
29. Secondary Offering
30. Market Maker
31. Bid Price
32. Ask Price
33. Spread
34. Volume
35. Liquidity
36. Market Order
37. Limit Order
38. Stop-Loss Order
39. Short Selling
40. Margin Trading
41. Bull Market
42. Bear Market
43. Correction
44. Crash
45. Technical Analysis
46. Fundamental Analysis
47. Efficient Market Hypothesis (EMH)
48. Random Walk Theory
49. Modern Portfolio Theory (MPT)
50. Capital Asset Pricing Model (CAPM)
51. Risk
52. Return
53. Diversification
54. Portfolio
55. Asset Allocation
56. Asset Class
57. Stock Split
58. Reverse Stock Split

59. Dividend Yield
60. Dividend Payout Ratio
61. Stock Buyback
62. Dilution
63. Insider Trading
64. Shareholder
65. Proxy Voting
66. Corporate Governance
67. Board of Directors
68. CEO
69. CFO
70. SEC Filings
71. 10-K
72. 10-Q
73. 8-K
74. Insider Trading
75. Stock Options
76. Warrants
77. Convertible Securities
78. Preferred Stock
79. Common Stock
80. Income Statement
81. Balance Sheet
82. Cash Flow Statement
83. GAAP
84. Non-GAAP
85. Revenue Growth
86. Earnings Per Share (EPS)
87. Price/earnings-to-growth (PEG) Ratio
88. Institutional Investors
89. Mutual Funds
90. Exchange-Traded Funds (ETFs)
91. Hedge Funds
92. Private Equity
93. Venture Capital
94. Sovereign Wealth Funds

- 95. Pension Funds
- 96. Index Funds
- 97. Active Management
- 98. Passive Management
- 99. Alpha
- 100. Beta

Describe and explain each concept

1. Stock Market - A marketplace where publicly traded companies sell shares of their stock to investors.
2. Stock Price - The current market value of a single share of a company's stock.
3. Equity - The ownership interest in a company represented by stock.
4. Share - A unit of ownership in a company.
5. Market Capitalization - The total value of a company's outstanding shares of stock, calculated by multiplying the stock price by the number of shares outstanding.
6. Dividend - A portion of a company's profits paid out to shareholders.
7. Earnings - The company's profits after all expenses are subtracted.
8. Revenue - The total income generated by a company from its sales and services.
9. Profit Margin - The percentage of revenue that is left over after expenses are paid, which represents the company's profitability.
10. Return on Equity (ROE) - A measure of how much profit a company generates for each dollar of shareholder equity.
11. Return on Assets (ROA) - A measure of how much profit a company generates for each dollar of assets.
12. Price-to-Earnings Ratio (P/E Ratio) - A valuation ratio that compares a company's stock price to its earnings per share, indicating how much investors are willing to pay for each dollar of earnings.
13. Price-to-Sales Ratio (P/S Ratio) - A valuation ratio that compares a company's stock price to its revenue per share, indicating how much investors are willing to pay for each dollar of revenue.
14. Price-to-Book Ratio (P/B Ratio) - A valuation ratio that compares a company's stock price to its book value per share, indicating how much investors are willing to pay for each dollar of net assets.

15. Price-to-Cash Flow Ratio (P/CF Ratio) - A valuation ratio that compares a company's stock price to its cash flow per share, indicating how much investors are willing to pay for each dollar of cash flow.
16. Market Index - A benchmark that tracks the performance of a group of stocks in a particular market or sector.
17. Benchmark - A standard against which the performance of a portfolio or investment is measured.
18. Dow Jones Industrial Average (DJIA) - A market index that tracks the performance of 30 large-cap companies in the United States.
19. S&P 500 - A market index that tracks the performance of 500 large-cap companies in the United States.
20. NASDAQ - A market index that tracks the performance of technology and growth companies in the United States.
21. Russell 2000 - A market index that tracks the performance of small-cap companies in the United States.
22. Sector - A group of companies in the same industry or business sector.
23. Industry - A group of companies that produce similar products or services.
24. Growth Stock - A stock of a company that is expected to grow at a faster rate than the overall market.
25. Value Stock - A stock of a company that is undervalued by the market and has a lower price-to-earnings ratio.
26. Blue-Chip Stock - A stock of a well-established and financially stable company with a long history of reliable earnings and dividends.
27. Penny Stock - A stock of a company with a low market capitalization, often traded over the counter and considered high risk.
28. Initial Public Offering (IPO) - The first time a company sells shares of stock to the public.
29. Secondary Offering - The sale of additional shares of stock by a company that is already publicly traded.
30. Market Maker - A firm that provides liquidity by buying and selling securities in the market.
31. Bid Price - The price at which a buyer is willing to purchase a security.
32. Ask Price - The price at

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which a seller is willing to sell a security.

33. Spread - The difference between the bid and ask prices of a security.

1. Liquidity - The ease with which a security can be bought or sold without significantly affecting its price.
2. Volume - The number of shares traded in a particular stock or market over a certain period of time.
3. Volatility - The degree of variation in a security's price over time, indicating the level of risk associated with the security.
4. Beta - A measure of a security's volatility compared to the overall market.
5. Market Order - An order to buy or sell a security at the current market price.
6. Limit Order - An order to buy or sell a security at a specified price or better.
7. Stop Order - An order to buy or sell a security once it reaches a certain price level, intended to limit losses or lock in profits.
8. Short Selling - Selling borrowed shares of stock with the expectation of buying them back at a lower price to make a profit.
9. Margin Trading - Borrowing money from a broker to buy stocks, increasing the potential return but also the risk of losses.
10. Bull Market - A market in which stock prices are rising and investors are optimistic about the future.
11. Bear Market - A market in which stock prices are falling and investors are pessimistic about the future.
12. Correction - A decline of 10% or more in a market or individual stock after a period of significant gains.
13. Crash - A sudden and severe decline in a market or individual stock, typically caused by a major event or economic crisis.
14. Bubble - A market condition in which the price of an asset is significantly overvalued relative to its fundamentals, often resulting in a sudden and dramatic collapse.

15. P/E Expansion - An increase in a company's price-to-earnings ratio, indicating that investors are willing to pay more for each dollar of earnings.
16. P/E Contraction - A decrease in a company's price-to-earnings ratio, indicating that investors are willing to pay less for each dollar of earnings.
17. Earnings Surprise - A significant deviation from the expected earnings of a company, often resulting in a sharp move in the stock price.
18. Revenue Surprise - A significant deviation from the expected revenue of a company, often resulting in a sharp move in the stock price.
19. Analyst Recommendation - A rating or recommendation from a financial analyst on a particular stock, based on their analysis of the company's financials, industry trends, and market conditions.
20. Institutional Ownership - The percentage of a company's stock held by institutional investors such as mutual funds, pension funds, and hedge funds.
21. Insider Trading - The buying or selling of a company's stock by individuals with access to non-public information, which is illegal in most cases.
22. Short Interest - The percentage of a company's outstanding shares that have been sold short, indicating the level of bearish sentiment among investors.
23. Float - The number of a company's outstanding shares that are available for trading in the market, excluding those held by insiders or institutions.
24. Dilution - The decrease in the ownership percentage of existing shareholders caused by the issuance of new shares by a company.
25. Buyback - A company's repurchase of its own shares from the market, often done to boost shareholder value and earnings per share.
26. Dividend Yield - The annual dividend payment divided by the current stock price, indicating the percentage return on investment from dividends.
27. Ex-Dividend Date - The date on which a stock begins trading without the dividend payment, usually two days before the record date.
28. Stock Split - The division of existing shares of stock into multiple shares, often done to make the stock

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more affordable for individual investors and increase liquidity.

62. Reverse Stock Split - The consolidation of existing shares of stock into fewer shares, often done to increase the per-share price and appeal to institutional investors.

1. Merger - The combination of two or more companies into a single entity, often resulting in a change in the stock price of the companies involved.
2. Acquisition - The purchase of one company by another, often resulting in a change in the stock price of the companies involved.
3. Spinoff - The creation of a new independent company by separating a division or subsidiary of an existing company, often resulting in a change in the stock price of both companies.
4. IPO (Initial Public Offering) - The first time a company offers its shares of stock to the public, often resulting in a significant change in the company's valuation and stock price.
5. Secondary Offering - The sale of additional shares of stock by an existing public company, often diluting the ownership percentage of existing shareholders and affecting the stock price.
6. Underwriter - A financial institution that facilitates the sale of securities to the public, often through an IPO or secondary offering.
7. Market Capitalization - The total value of a company's outstanding shares of stock, calculated by multiplying the current stock price by the number of outstanding shares.
8. Price-to-Sales Ratio - A valuation ratio calculated by dividing a company's market capitalization by its annual revenue, indicating how much investors are willing to pay for each dollar of sales.
9. Price-to-Book Ratio - A valuation ratio calculated by dividing a company's market capitalization by its book value (total assets minus liabilities), indicating how much investors are willing to pay for each dollar of assets.



10. Price-to-Cash Flow Ratio - A valuation ratio calculated by dividing a company's market capitalization by its annual cash flow, indicating how much investors are willing to pay for each dollar of cash generated by the company.
11. Return on Equity (ROE) - A profitability ratio calculated by dividing a company's net income by its shareholder equity, indicating how efficiently the company is using its shareholders' capital to generate profits.
12. Return on Assets (ROA) - A profitability ratio calculated by dividing a company's net income by its total assets, indicating how efficiently the company is using its assets to generate profits.
13. Earnings Per Share (EPS) - A measure of a company's profitability calculated by dividing its net income by the number of outstanding shares of stock, indicating how much profit each share of stock is generating.
14. Price-to-Earnings Growth (PEG) Ratio - A valuation ratio calculated by dividing a company's price-to-earnings ratio by its expected earnings growth rate, indicating whether a stock is overvalued or undervalued relative to its growth prospects.
15. Technical Analysis - The study of past market data, particularly price and volume, to identify patterns and predict future price movements.
16. Fundamental Analysis - The analysis of a company's financials, industry trends, and market conditions to determine its underlying value and potential for growth.
17. Efficient Market Hypothesis - The theory that all available information is already reflected in a security's price, and that it is impossible to consistently outperform the market by analyzing past price movements or financial data.
18. Random Walk Theory - The theory that stock prices follow a random pattern and cannot be predicted with any degree of accuracy over the short term.
19. Contrarian Investing - The strategy of buying stocks that are out of favor with the market or have a low valuation relative to their fundamentals, based on the belief that the market is overreacting and the stock will eventually rebound.
20. Momentum Investing - The strategy of buying stocks that have shown strong recent performance, based on the belief that the trend will continue.

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1. Value Investing - The strategy of buying stocks that are undervalued relative to their underlying fundamentals, based on the belief that the market is underestimating their true worth.
2. Growth Investing - The strategy of buying stocks that have strong potential for future growth, based on the belief that the market is underestimating their growth prospects.
3. Dividend Investing - The strategy of buying stocks that pay a regular dividend, based on the belief that the company's consistent income stream will provide stable returns and potentially appreciate in value.
4. Index Investing - The strategy of investing in a diversified portfolio of stocks that track a particular index, such as the S&P 500, in order to achieve broad market exposure and potentially lower fees.
5. Active Management - The strategy of selecting individual stocks or making investment decisions based on market trends and analysis, with the goal of outperforming the market.
6. Passive Management - The strategy of investing in index funds or other diversified portfolios, with the goal of achieving returns that match the overall market.
7. Buy-and-Hold Strategy - The strategy of buying stocks with the intention of holding them for a long period of time, in order to benefit from potential price appreciation and minimize transaction costs.
8. Day Trading - The strategy of buying and selling stocks within a single trading day, with the goal of profiting from short-term price fluctuations.
9. Swing Trading - The strategy of buying and selling stocks within a few days to a few weeks, with the goal of profiting from medium-term price fluctuations.
10. Position Trading - The strategy of buying and holding stocks for several months to several years, with the goal of profiting from long-term price trends.
11. Market Order - An order to buy or sell a security at the current market price, with the transaction being executed as soon as possible.
12. Limit Order - An order to buy or sell a security at a specified price or better, with the transaction only being executed if the specified price is reached.
13. Stop Order - An order to buy or sell a security at a specified price or worse, with the transaction being executed once the specified price is reached or exceeded.
14. Short Selling - The practice of selling borrowed shares of stock with the intention of buying them back at a lower price in order to profit from a price decline.
15. Margin Trading - The practice of borrowing money from a broker to buy stocks, with

the potential for greater returns but also greater risk.

16. Volatility - The degree of fluctuation in a security's price over a given period of time, often used as a measure of risk.

17. Beta - A measure of a stock's volatility relative to the overall market, with a beta of 1 indicating that the stock moves in line with the market and a beta greater than 1 indicating higher volatility than the market.

18. Liquidity - The ease with which a security can be bought or sold in the market, often determined by its trading volume and bid-ask spread.