

Glossary of Trading Terms

Bear Market: A market condition characterized by declining prices.

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

Bull Market: A market condition characterized by rising prices.

Contract for Difference (CFD): A contract between buyer and seller.

Dividend: Payment made by a company to shareholders.

Equity: Ownership interest in a company.

Forex: Foreign exchange market.

Hedge: Investment to offset potential losses.

Leverage: Using borrowed money to increase investment exposure.

Liquid: An asset that can be easily bought or sold.

Long: Buying an asset expecting its value to rise.

Margin: Money borrowed from a broker to purchase securities.

Order: Instruction to buy or sell an asset.

Pip: Smallest price move in a currency pair.

Price Action: Movement of a security's price over time.

Quote: Price at which a security is bought or sold.

Rally: Recovery in prices after a decline.

Risk: Possibility of losing money on an investment.

Short: Selling an asset expecting its value to fall.

Spread: Difference between bid and ask price.

Volatility: Measure of price variation over time.