MY MARKET BOOK

KNOW THE MARKET. AVOID THE MISTAKES.

FREE INTRODUCTORY GUIDE - 2026 EDITION

The stock market, made clearer.

Your first share. How trading works. What risk means.



10 VISUAL LESSONS · A useful first foundation from the complete 2026 edition.

MYMARKETBOOK.COM

KNOW THE MARKET. AVOID THE MISTAKES.

Start with curiosity.

You do not need a finance background or a trading account. Start with the first three lessons. You do not need to understand everything today.

By the end: explain what a share represents, follow the buyer's money and the seller's shares, and understand why a mix of investments can still lose value.

YOUR PATH THROUGH THE GUIDE

01 What is a stock? 04
02 What is a share? 05
03 What is the stock market? 06
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Read in order. Follow the arrows and labels, then explain each picture in your own words. Try all six questions on page 14 before checking page 15. Source links appear below the lessons. Dark and Light have the same content; use Light for lower-ink printing.

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Investing and trading involve risk, including loss of your entire investment. Borrowing or other trading arrangements can create additional obligations. No return or protection from loss is promised. You are responsible for your decisions and for assessing whether an activity fits your circumstances.

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Care has been taken, but errors, omissions and outdated information may occur. Accuracy, completeness and continuing currency are not guaranteed. Independently verify facts, calculations, current official rules and your broker’s terms before acting. Source links appear beside the lessons.

EXAMPLES, SOURCES & ARTWORK

Prices, quantities and examples are teaching assumptions, not historical quotes or recommendations. Tesla, Robinhood and Schwab are examples, not endorsements. This guide focuses on ordinary U.S. investments; rules elsewhere can differ. Cited organizations do not endorse it. Covers include conceptual AI artwork; teaching diagrams are drawn separately.

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REVISION 2026.11.06-FG12 | Corrections: mymarketbook.com/contact

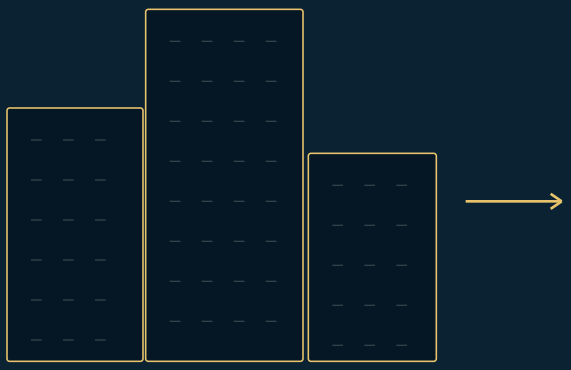
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LESSON 01 / FOUNDATIONS

2026 EDITION

What is a stock?

A stock represents part ownership in a company. Buying stock makes you a shareholder: one of the business's owners.



TESLA / THE COMPANY

STOCK = PART OWNERSHIP

MAYA / A SHAREHOLDER

An investor like you

Owns part of the business

READ THE ILLUSTRATION

Compare buying a Tesla car with buying Tesla shares. A car buyer is a customer. Maya, the shareholder in the illustration, owns a small part of the company. Her stake is in the business as a whole, not a particular car or factory. A lender is different: the company owes the lender money. Share ownership does not promise repayment, a profit or a dividend.

NEXT / Measure your ownership with shares.

WATCH OUT

Owning stock does not mean the company promises to return your money.

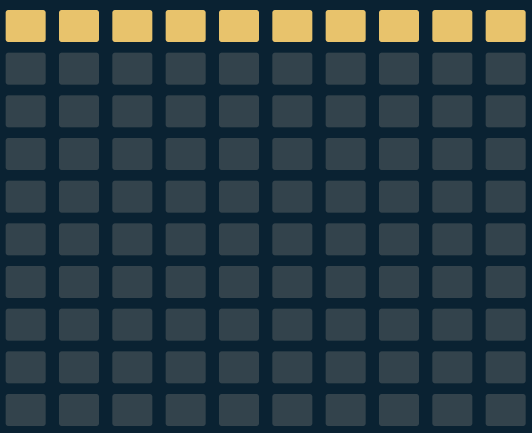
SEC: Stocks Tesla: SEC filing

KNOWLEDGE CHECK / PAGE 14

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What is a share?

A share is one unit of a company's stock. To understand how much of the company you own, compare your shares with the total number of equal shares.



10%

YOUR OWNERSHIP

10 shares out of 100

Each block = 1 equal share. Gold = your 10 shares.

READ THE ILLUSTRATION

Read the picture as a company divided into 100 equal shares. Maya owns 10 of them, so she owns 10 out of 100: 10%. The other 90 belong to other shareholders. If the company instead had 1,000 equal shares, the same 10 shares would represent only 1%. Ownership percentage depends on both numbers: the shares you own and the total shares in the company.

WATCH OUT

Ten shares does not always mean ten percent. You also need the total.

SEC: Stocks

KNOWLEDGE CHECK / PAGE 14

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LESSON 03 / FOUNDATIONS

2026 EDITION

What is the stock market?

The stock market brings buyers and sellers together. Your broker, such as Robinhood or Schwab, helps you place orders to buy or sell shares.

THE PATH OF YOUR BUY ORDER



INVESTOR	BROKER	STOCK MARKET
You	Robinhood, Schwab, etc.	Buyers and sellers
Choose what to buy or sell.	The firm sends your order.	A seller's order may match.

Order = your instruction. It is not yet a completed trade.

READ THE ILLUSTRATION

Start at the left: the investor is you. You give your broker an order: an instruction to buy or sell. The broker handles it through a trading venue or another firm. A seller may be another investor or a trading firm selling shares it holds. The arrows follow your instruction, not your cash. Sending an order does not guarantee a completed trade.

NEXT / See when a buy order can match a seller.

WATCH OUT

Sending an order does not guarantee a trade. Buying shares does not guarantee a profit.

SEC: Market participants SEC: Order execution

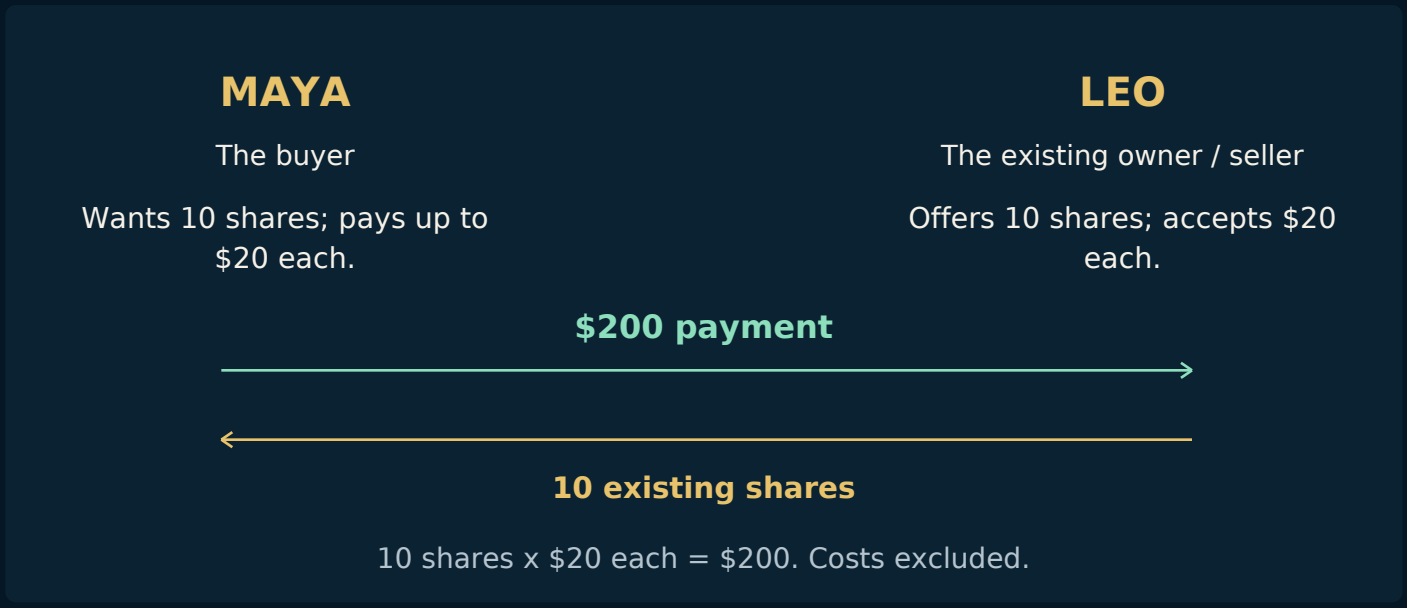
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LESSON 04 / FOUNDATIONS 2026 EDITION

How does the stock market work?

A trade happens when buying and selling instructions can be matched at an acceptable price and quantity. Most of this work is electronic.



READ THE ILLUSTRATION

Maya buys 10 shares at $20 each: $200. Leo receives her payment and gives up those shares. If he wants at least $21 and she will pay at most $20, these orders cannot match. Only some of the shares requested may trade: a partial fill. The trade agrees the exchange; settlement completes the official transfer of money and shares. Most ordinary U.S. stock trades settle one business day after the trade, called T+1.

WATCH OUT

Pressing Buy does not force another person to sell on your chosen terms.

SEC: Order execution SEC: Order types SEC: T+1 settlement

KNOWLEDGE CHECK / PAGE 14

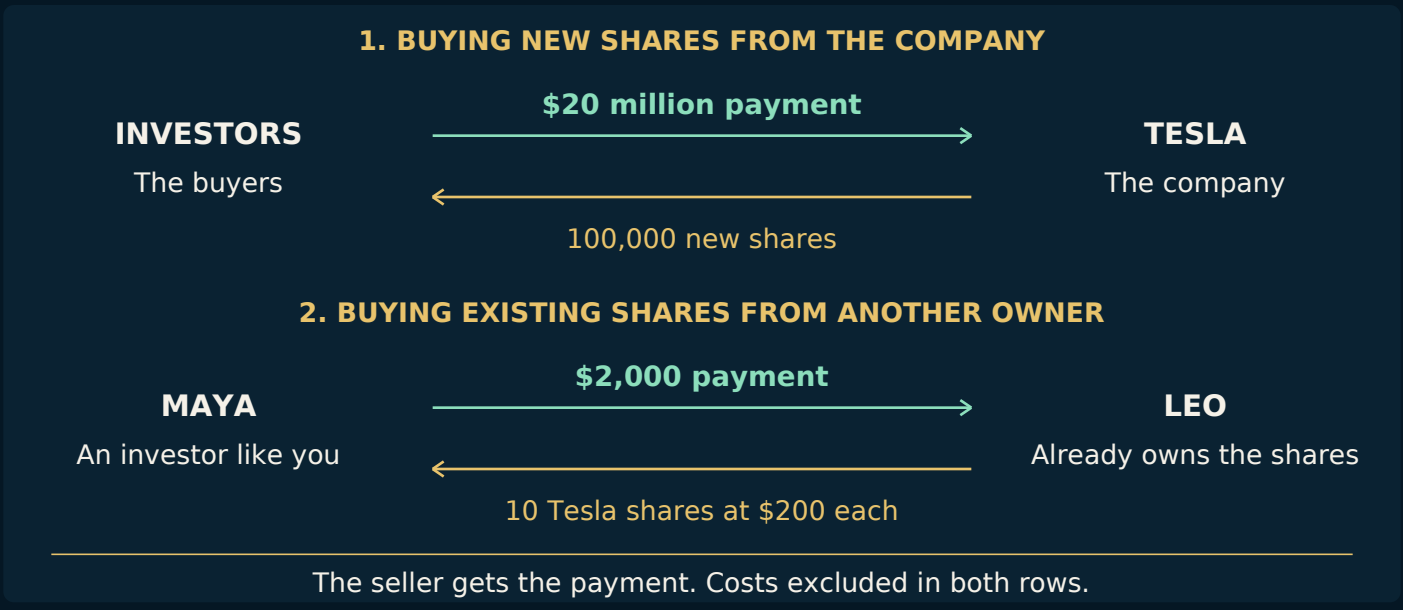
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LESSON 05 / FOUNDATIONS

2026 EDITION

Who gets the money when you buy?

Buying new shares from a company and buying existing shares from another investor are different transactions. The seller receives your payment.



READ THE ILLUSTRATION

Read the two rows separately. In the first, investors buy new shares from Tesla: Tesla receives the money. In the second, Maya, an investor like you, buys 10 existing Tesla shares from Leo for $2,000. Leo receives her money; Tesla does not. Green arrows show money going to the seller. Gold arrows show shares going to the buyer.

NEXT / Follow changes in the value of shares you own.

WATCH OUT

Buying Tesla shares from another owner does not send that purchase money to Tesla.

SEC: Stocks SEC: Market participants Tesla: SEC filing

KNOWLEDGE CHECK / PAGE 14

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LESSON 06 / FOUNDATIONS

2026 EDITION

How can you make money from stock?

You may gain if your shares rise in price or the company pays a cash dividend: money it chooses to distribute to shareholders. Costs and taxes reduce your result.

PURCHASE	LATER VALUE	CASH DIVIDEND	COMBINED GAIN
$200	$220	$5 total	$25
10 shares x $20	10 shares x $22	50 cents per share x 10	Before costs and tax

($220 later value - $200 paid) + $5 dividend = $25

READ THE ILLUSTRATION

Ten shares cost $200. Later they are worth $220: a $20 price gain. Add a $5 total cash dividend for all ten shares, and the gain is $25 before costs and tax. The $20 is unrealized while Maya still holds the shares; selling realizes it. A dividend is not free extra wealth: if nothing else changes, the share price adjusts downward by the dividend amount on the ex-dividend date, when shares begin trading without that payment.

WATCH OUT

Dividends are not guaranteed. Compare the share value plus payments received, not the dividend alone.

SEC: Stocks CFA Institute: Dividends

KNOWLEDGE CHECK / PAGE 14

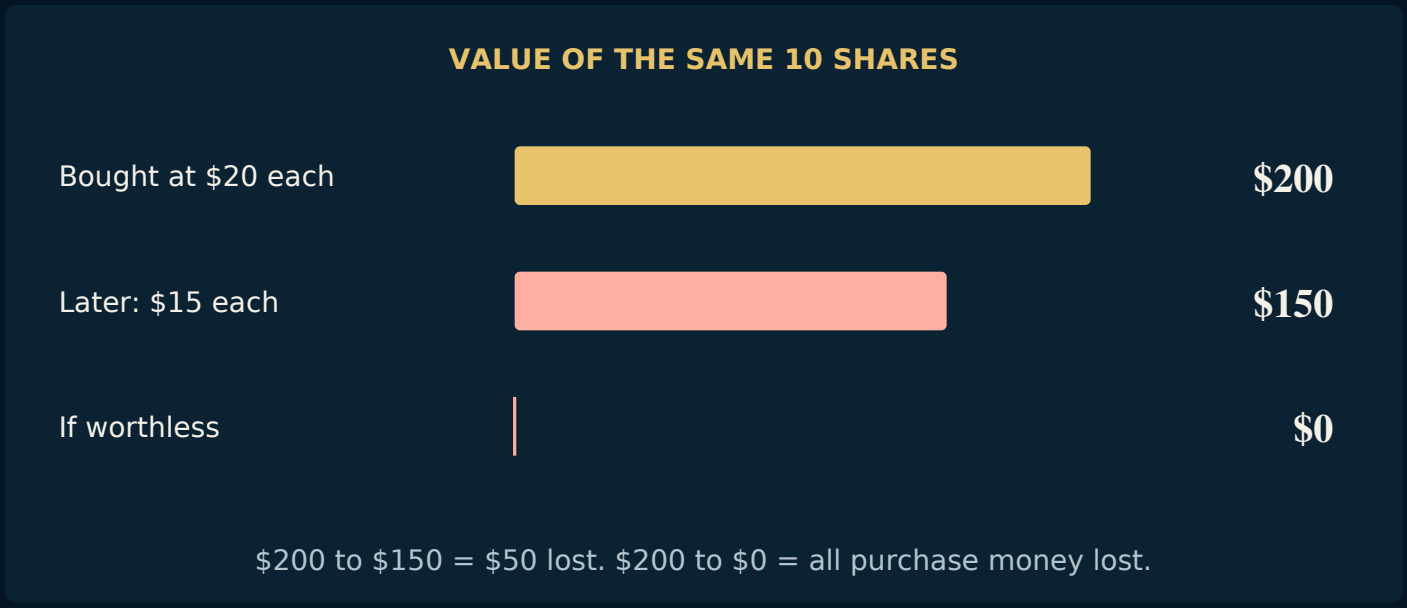
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LESSON 07 / FOUNDATIONS

2026 EDITION

How can you lose money from stock?

Your shares can fall in price. A business can fail, and its common stock can become worthless. An ordinary fully paid stock purchase can lose the amount invested.



READ THE ILLUSTRATION

The bars show the value of the same ten shares. At $150, the investment has lost $50 in value. At $0, all $200 is gone. A fall does not guarantee recovery, even if you wait. For shares paid for entirely with your own money, with no borrowing or other obligations, the share-price loss cannot exceed what you invested. This guide uses that fully paid example.

WATCH OUT

A low price can fall further. Losing 50% does not make the remaining amount safe.

SEC: Stocks SEC: Investment risk

KNOWLEDGE CHECK / PAGE 14

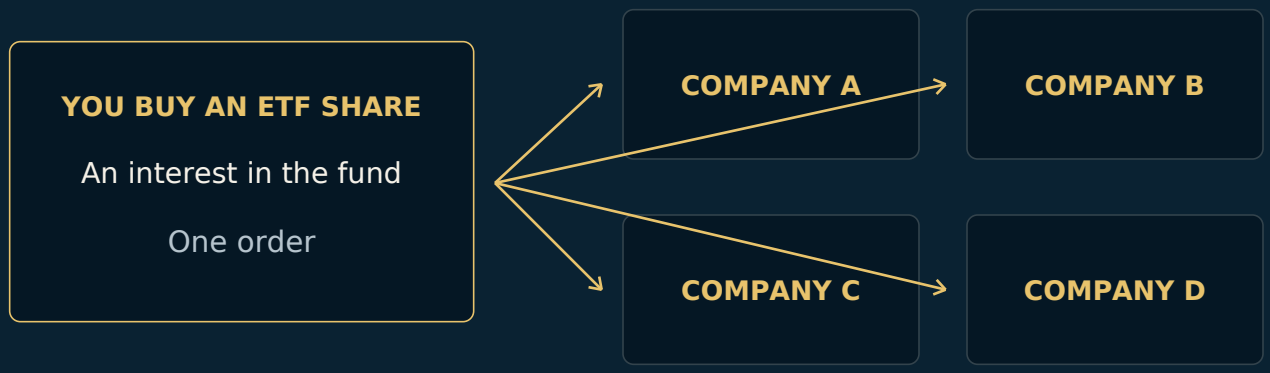
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LESSON 08 / FOUNDATIONS

2026 EDITION

What is an ETF?

An ETF is an exchange-traded fund: a fund whose shares you can buy and sell on an exchange. Check what it owns before you invest.



EXAMPLE STOCK ETF / Arrows show investments held by the fund.

READ THE ILLUSTRATION

This example is a stock ETF holding four companies. You own a share of the fund; the fund holds the company investments. The arrows show those holdings, not your payment flowing to each company. Other ETFs may hold bonds, focus on one industry or track just one stock. Check the investments and how much money is in each, called their weights. Fund expenses reduce your return.

NEXT / Compare fund ownership with lending through bonds.

WATCH OUT

ETF describes a structure. It does not automatically mean diversified, simple or low risk.

SEC: Funds and ETFs

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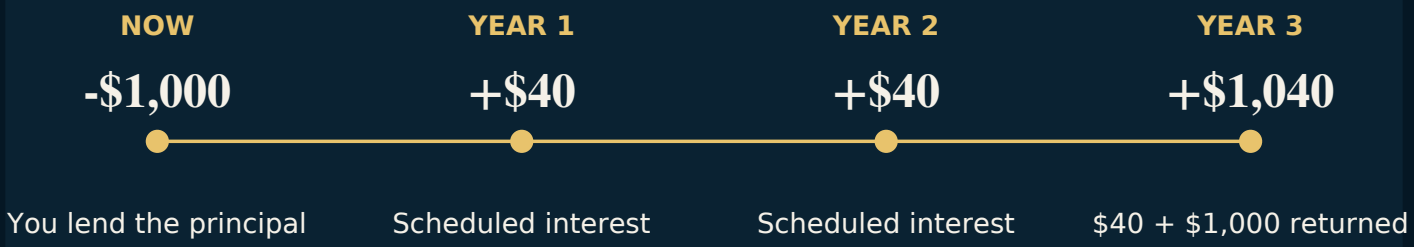
LESSON 09 / FOUNDATIONS

2026 EDITION

What is a bond?

Buying a newly issued bond means lending money to its issuer, the company or government that borrows it. You are a lender, not a shareholder.

FROM YOUR VIEWPOINT: MONEY PAID OUT, THEN PAYMENTS DUE



4% annual interest; three-year term. All payments depend on the issuer paying.

READ THE ILLUSTRATION

You lend the issuer $1,000. In this example, a 4% annual coupon means $40 interest a year. Year 3 is maturity: the loan is due back, plus the final $40 interest. Other bonds may pay on different schedules. Payments depend on the issuer paying. If market interest rates rise, an existing fixed-rate bond can fall in price. Selling before maturity can produce a gain or loss.

WATCH OUT

A payment schedule is not proof that the borrower will be able to pay.

FINRA: Bonds

KNOWLEDGE CHECK / PAGE 14

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LESSON 10 / FOUNDATIONS

2026 EDITION

What is diversification?

Diversification means spreading investments across different risks. Your portfolio is the investments you hold. A mix can reduce some risks, but cannot prevent every loss.



- 60% Stocks: $600
- 30% Bonds: $300
- 10% Cash: $100

Example mix, not a recommended allocation. Each slice is part of the $1,000.

READ THE ILLUSTRATION

The whole pie is a $1,000 portfolio: $600 stocks, $300 bonds and $100 cash. That is 60%, 30% and 10%. The slices show where the money goes, not a guaranteed return. Also spread the stock portion across companies and industries: owning just one stock is still a concentrated risk. Different funds may own the same companies. This mix teaches the idea; it is not a recommendation.

WATCH OUT

A long holdings list is not proof of diversification. Look through to the underlying risks.

SEC: Diversification

KNOWLEDGE CHECK / PAGE 14

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KNOWLEDGE CHECK / TRY BEFORE CHECKING

2026 EDITION

What do you understand?

Choose A, B or C. Try all six before checking page 15. Explain one answer in your own words; this is a learning check, not permission to trade.

01

Maya buys existing Tesla shares from Leo. Who gets her payment?

A. Tesla, as the company.
B. Leo, as the selling owner.
C. Maya, as the new owner.

02

A buyer offers at most $20; a seller wants at least $21. Can these orders match?

A. No; their price limits do not overlap.
B. Yes; the seller must accept $20.
C. Yes; the buyer must pay $21.

03

Your shares rise in value, but you have not sold. What is that price gain?

A. A dividend the company owes you.
B. A gain already received from a sale.
C. An unrealized gain that can change.

04

Two ETFs hold many of the same companies. What should you compare?

A. Only the number of fund names.
B. Their investments and money in each.
C. Only the price of each fund share.

05

You buy a newly issued bond. What is your role?

A. An owner of the issuer’s shares.
B. A customer buying its products.
C. A lender owed under the bond terms.

06

You fully pay for shares without borrowing. How much share-price loss is possible?

A. All the money invested in those shares.
B. Only half the money invested in them.
C. None, unless the shares are sold.

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ANSWERS / FOUNDATIONS CONNECTED

2026 EDITION

Connect what you learned.

Check the reason, then revisit any uncertain idea. These terms help you explain the pictures in your own words.

01 / B Maya owns the shares after buying them. Leo sold them and receives her payment; Tesla does not receive it.
REVISIT PAGES 4, 8

02 / A These two orders cannot match at those limits. Sending an order does not guarantee a trade.
REVISIT PAGES 6, 7

03 / C The price gain is unrealized while you still hold the shares. A dividend is a different payment.
REVISIT PAGE 9

04 / B Two funds can expose you to the same companies. Check what they hold and the proportions, called weights.
REVISIT PAGES 11, 13

05 / C A bond is a loan, not company ownership. Scheduled payments depend on the issuer paying.
REVISIT PAGE 12

06 / A The shares can become worthless. Waiting or keeping them unsold does not guarantee their value will recover.
REVISIT PAGE 10

TEN TERMS TO KEEP

Stock: part ownership in a company.

Share: one unit of a company’s stock.

Broker: firm that handles your orders.

Order: an instruction to buy or sell.

Dividend: a payment to shareholders.

ETF: fund shares traded on an exchange.

Bond: a loan owed by its issuer.

Portfolio: the investments you hold.

Diversification: spreading investments across risks.

Weights: the proportion in each holding.

RETURN TO QUESTIONS / PAGE 14

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YOUR NEXT STEP / THE COMPLETE EDITION

2026 EDITION

Keep building your understanding.

You now know what a share represents, who gets paid in a trade and why investment risks differ. The complete book builds on that foundation, one clear lesson at a time.

208	20	147
TOTAL PAGES	CHAPTERS	VISUAL LESSONS

FOLLOW THE COMPLETE PROCESS

Read a quote, place an order, understand fills and settlement, and keep the right records.

RECOGNIZE COSTLY MISTAKES

Build your understanding of costs, behavior, margin, taxes and wash sales.

CHECK WHAT YOU HAVE LEARNED

Use worked examples, reviews, knowledge checks, full cases, a glossary and primary sources.

One complete book, in Dark and Light editions. Both contain the same lessons and in-book practice. Choose the style you prefer; Light also suits lower-ink printing.

EXPLORE THE COMPLETE BOOK

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FREE INTRODUCTORY GUIDE - 2026 EDITION

More understanding. Wiser decisions.

You now have a first foundation for understanding stocks, markets and risk. Keep building that knowledge with patience, discipline and caution.

01

KNOW WHAT YOU OWN

A share is company ownership. A fund holds investments; check what is inside.

02

RESPECT THE RISK

Prices can fall. Diversification can reduce some risks, but cannot prevent every loss.

03

KEEP BUILDING

Return to these examples. Continue with the full book when you are ready to learn more.

Knowledge cannot guarantee a profit. Keep asking questions, check reliable sources and invest with caution.

FREE RESOURCES / CALCULATORS / TOOLS

Find the lesson sources at Investor.gov, FINRA.org and IRS.gov. Exact page titles and clickable links appear below each lesson. Sources reviewed November 6, 2026.

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