



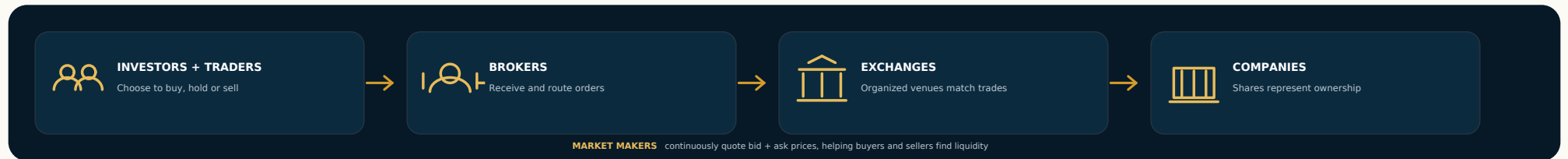
THE STOCK MARKET

— Explained on One Page

FREE VISUAL GUIDE

THE CONNECTED ECOSYSTEM

Orders reach trading venues. Shares represent ownership. Information and expectations shape price.



HOW A STOCK PRICE FORMS

The displayed price is the latest agreement between a buyer and a seller - not a permanent verdict on value.

BUYING PRESSURE

Demand > supply

SELLING PRESSURE

Supply > demand

THE MARKET AT A GLANCE

INDEX

A rules-based measure tracking a group of securities, such as a broad market or sector.

MARKET CAP

Share price x shares outstanding. A practical measure of a company's equity value.

BULL MARKET

A sustained period of broadly rising prices and stronger optimism.

BEAR MARKET

A sustained decline - commonly 20% or more from a recent high.

WHAT MOVES THE MARKET

- **COMPANY** Earnings, guidance, products, leadership
- **ECONOMY** Growth, jobs, inflation, interest rates
- **EXPECTATIONS** What investors expected versus what occurred
- **FLOW + LIQUIDITY** Demand, positioning, volume, available capital
- **NEWS + POLICY** Regulation, taxes, geopolitics, shocks

YOUR DECISION LAYER

PORTFOLIO

All your holdings viewed as one system. Diversification spreads exposure, but cannot eliminate loss.

LOOK AT THE WHOLE

INVESTOR vs. TRADER

Investor: builds around a longer horizon and underlying value. Trader: acts on shorter-term price movement and execution.

TIME HORIZON MATTERS

RISK / REWARD

Potential upside should be weighed against possible loss, probability and position size - not upside alone.

DEFINE DOWNSIDE FIRST

THE CORE IDEA

Price is what the market agrees on now. Value is your reasoned estimate of what an asset may be worth.

PRICE ≠ VALUE

BEFORE YOU INVEST: 5 QUESTIONS

A decision checklist, not a prediction tool.

1

What am I buying?

Explain the business or fund in one sentence.

2

How can it make money?

Identify the return driver: growth, income or both.

3

What could prove me wrong?

Name the risks, assumptions and warning signs.

4

How much can I lose?

Test a downside case and size the position.

5

Does it fit my plan?

Check horizon, diversification, fees and taxes.

CLEARER DECISIONS BEGIN WITH CONTEXT - not certainty.

MyMarketBook.com