WHAT IS SHARE ?

Share is nothing but a stake in a company, where the holder of share is known as shareholder and hold ownership in a company.

Benefits of a shareholders: -

- They can claim the Dividend in the company.
- They have the right to control the ownership of the company.
- They have the right to take the participation in the voting right.

WHAT IS SHARE PRICE?

Let's say you're looking at a company called "Reliance" Imagine Reliance is like a giant pie, and this pie is divided into 100 slices. Each slice represents a share of the company.

If you want to buy a piece of the company, you're buying one or more of these slices. The share price is how much money you need to pay for each slice of the pie.

For example:

If the share price is RS.10, then you need to pay Rs.10 to buy one slice of the Super Widgets Inc. pie.

If you want to buy 5 slices, you'll pay RS.50 (because 5 slices x RS.10 per slice = RS.50)

So, the share price tells you the cost of one slice of the company's pie!

TYPES OF TRADERS?

Scalpers

- **Definition: Make numerous trades in a day, often holding positions for seconds or minutes.**
- **Objective: Profit from small price changes.**
- **Tools/Strategies: High-frequency trading systems and algorithms.**
- **Risk: Very high, due to the frequency and speed of trades.**

Day Traders

- **Definition: Buy and sell securities within the same trading day.**
- **Objective: Profit from short-term price movements.**
- **Tools/Strategies: Technical analysis, charts, and news events.**
- **Risk: High, due to rapid trades and market volatility.**

Swing Traders

- **Definition: Hold positions for several days to weeks.**
- **Objective: Capture short- to medium-term gains based on expected price swings.**
- **Tools/Strategies: Technical analysis, chart patterns, and trends.**
- **Risk: Moderate, with exposure to price changes over days or weeks.**

Positional Traders

- **Definition: Hold positions for weeks to months.**
- **Objective: Benefit from longer-term trends.**
- **Tools/Strategies: Fundamental analysis and longer-term technical analysis.**
- **Risk: Lower than day trading, but still significant.**

TYPE OF INVESTORS

1.Foreign Institutional Investors (FII)

Foreign Institutional Investors (FIIs) are entities from outside a country that invest in its financial markets.

- **Investment Funds**: Mutual funds, hedge funds, and pension funds.
- **Insurance Companies**: Companies that provide insurance products and invest their premiums.
- **Banks**: Large multinational banks that engage in investment activities.
- **Other Financial Institutions**: Any organization that invests in a country's financial instruments, such as bonds and stocks.

2. Domestic Institutional Investors (DII)

Domestic Institutional Investors (DIIs) are institutions within a country that invest in its financial markets.

Ex- Financial institution, Pension funds, Mutual funds , Insurance company, LIC,UTI

1. Retail Investors

Retail Investors are individual investors who buy and sell securities for their personal accounts, not on behalf of an organization or institution.

EX- Retail investors typically invest in a range of assets, stocks, bonds, mutual funds, ETF, and sometimes real estate.

Retail investors have access to financial markets through brokerage accounts, financial advisors and online trading platforms.

CAPITAL MARKET INSTRUMENTS

Equity

Derivatives

Options

Currency

Commodity

Equity share - It's a type of stock that signifies a share of ownership in a company. When you buy equity shares, you are buying a portion of the company, which gives you certain rights and benefits.

Derivatives - A derivative is a financial instrument that derives its value from an underlying asset. This underlying asset can be stocks, bonds, currency, commodities, metals and even intangible, assets like stock indices. Derivatives can be of different types like futures, options, swaps, caps, floor, collars etc. The most popular derivative instruments are futures and options

Options - Options Contract give its holder the right, but not the obligation, take or make delivery on or before a specified date at a stated price. But this option is given to only one party in the transaction while the other party has an obligation to take or make delivery. Since the other party has an obligation and a risk associated with making the good the obligation, he receives a payment for that. This payment is called as option premium. Option contracts are classified into two types on the basis of which party has the option:

- **Call option -** A call option is with the buyer and gives the holder a right to take delivery.
- **Put option -** The put option is with the seller and the option gives the right to take delivery.

Currency - A currency instrument typically refers to financial products that involve currencies. These instruments allow traders and investors to buy, sell, or hedge against currency fluctuations.

Commodity - Commodities are typically raw materials or primary agricultural products that are used in the production of goods and services. Here’s an overview of the term "commodity" and its role in financial markets.

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