

STOCK MARKET



TERMINOLOGIES



Annual Report

A publication, including financial statements and a report on operations, issued by a company to its shareholders at the company's fiscal year-end. A fiscal year end can be the end of any quarter — March 31, June 30, September 30, or December 31.

Arbitrage

The simultaneous purchase of a security on one stock market and the sale of the same security on another stock market at prices which yield a profit.



Assets

Everything a company or person owns, including money, securities, equipment and real estate. Assets include everything that is owed to the company or person. Assets are listed on a company's balance sheet or an individual's net worth statement.



Bear Market

A market in which stock prices are falling.

Bull Market

A market in which stock prices are rising.

Broker or Brokerage Firm

A securities firm or a registered investment advisor affiliated with a firm. Brokers are the link between investors and the stock market. When acting as a broker for the purchase or sale of listed stock, the investment advisor does not own the securities but acts as an agent for the buyer and seller and charges a commission for these services

BONDS

A bond, also known as a fixed-income security, is a debt instrument created for the purpose of raising capital. They are essentially loan agreements between the bond issuer and an investor, in which the bond issuer is obligated to pay a specified amount of money at specified future dates.

Bond Type	Description
Corporate	Corporations issue bonds to expand, cover expenses, and finance other activities. Corporate bonds are fully taxable and usually pay a higher rate of interest than government bonds.
(Government) Treasury	Treasury bonds are debt instruments of the U.S. government, used to pay for government activities and to pay off government debt. Considered to be long term investments, Treasury bonds have maturities of 10 years or longer. Treasury bonds carry the lowest degree of risk and are the benchmark against which all other types of bonds are measured. Although their market value fluctuates, they are considered to be the safest of bonds due to the fact that they are secured by the full faith and credit of the U.S. government.
Agency (GSE)	U.S. Government agencies (also called Government-Sponsored Enterprises, or GSE) issue bonds to support projects relevant to public policy, such as farming and small business, as well as to offer assistance to students and homebuyers. Examples of these agencies include Fannie Mae, Freddie Mac and the Small Business Association. Unlike Treasuries, these bonds do not carry the "full faith and credit" guarantee of government issued Treasury bonds.
Municipal	A municipal bond, or "muni bond," is a debt obligation issued by a state, city or local government to finance governmental needs or special projects. The majority of municipal bonds are exempt from federal, state and local taxes.

Debentures:

Debentures are bonds that are not secured by specific property or collateral. Instead, they are backed by the full faith and credit of the issuer, and bondholders have a general claim on assets that are not pledged to other debt.

Portfolio:

Holdings of securities by an individual or institution. A portfolio may include various types of securities representing different companies and industry sectors.

Options

Options are a type of derivative security. An option is a derivative because its price is intrinsically linked to the price of something else. Remember: "options give you options."

If you buy an options contract, it grants you the right, but not the obligation to buy or sell an underlying asset at a set price on or before a certain date. A call option gives the holder the right to buy stock and a put option gives the holder the right to sell stock.

Stock Market Indices:

Stock market indices is a procedure of measuring certain stocks. They are used to measure the performance of the certain portfolios. The prime use of the indices is to understand the trends of the market.

Generation:

A stock indices is created by choosing a group of certain stocks. These stocks are able to represent the entire stock market's trends. They may also represent a specify segment like mutual funds. The changes in the price movements are related to the base period. Their performance shows how the overall market economy or a particular industry is.



Benefits:

In stock indices, proper weights are given to the stocks as per their economic importance. The stock market indices are like a barometer of the market. They help the investors to identify the broad trends of the market. Investors use them before allocating the funds among the stocks. The technical analysis uses these indices to forecast the market trends. A general trend of the economy is displayed by the stock indices. Thus, indices act as a guide for the investors.

BSE:

Established in 1875, BSE (formerly known as Bombay Stock Exchange Ltd.), is Asia's first & the Fastest Stock Exchange in world with the speed of 6 micro seconds and one of India's leading exchange groups. In 2017 BSE become the 1st listed stock exchange of India.

Keeping in line with the vision of Shri Narendra Modi, Hon'be Prime Minister of Inida, BSE has launched India INX, India's 1st international exchange, located at GIFT CITY IFSC in Ahmedabad.

BSE's popular equity index - the S&P BSE SENSEX - is India's most widely tracked stock market benchmark index. It is traded internationally on the EUREX as well as leading exchanges of the BRICS nations (Brazil, Russia, China and South Africa)

About India INX

BSE, Asia's oldest stock exchange and now world's fastest exchange with the speed of 6 microseconds, it is also first to establish the country's first International Exchange at the international financial services centre (IFSC) GIFT city Gandhinagar.

The International exchange received final approval from Securities and Exchange Board of India (Sebi) on December 30, 2016.

India INX is one of the world's most advanced technology platforms with a turn-around time of 4 micro seconds. India INX operates for 22 hours a day to allow international investors and Non Residents Indians to trade from anywhere across the globe. In the first phase it proposes to commence trading in equity derivatives, currency derivatives, commodity derivatives including Index and Stocks. Subsequently, depository receipts and bonds would be offered once the required infrastructure for the same is in place. The technology offerings at India INX would facilitate co-location of members in its own Data Centre at GIFT IFSC as well as provide high frequency trading,

India International exchange will compete with other international financial centres such as Hong Kong, Singapore Dubai, London and New York. Currently RBI's Liberalised Remittance Scheme does not allow Indian Residents to trade in derivative products traded in exchanges other than domestic exchanges.

So, effectively it will be corporate to hedge from India, which they are currently doing from outside India. It will also help Indian start-ups to raise equity from foreign investors by getting listed and provide companies incorporated outside India a platform to raise money in foreign currencies by issuance and listing of their shares on the international exchange. The stock brokers, who wish to service the rest of the world, would set up their offices and companies at Gift City. Foreign individuals, foreign trusts, foreign institutional investors all of them would be able to trade from India INX.

Vol	Bid	Offer	Vo
767,200	26.25	26.50	1,2
1,081,000	9.65	9.70	1,6
38,600	6.30	6.35	2
714,300	50.00	50.25	3
818,800	44.25	44.50	1
878,800	25.25	25.50	7
284,300	55.00	55.25	4
117,800	281.00	282.00	1
1,383,700	4.46	4.48	1,0
887,400	18.30	18.40	1,0

About NSE:

The National Stock Exchange (NSE) is the leading stock exchange in India and the fourth largest in the world by equity trading volume in 2015, according to World Federation of Exchanges (WFE). It began operations in 1994 and is ranked as the largest stock exchange in India in terms of total and average daily turnover for equity shares every year since 1995, based on annual reports of SEBI.

Mr. Ashok Chawla is the Chairman of the Board of Directors of NSE and Mr. Vikram Limaye is the Managing Director and CEO of NSE.

What is Nifty and Sensex?

To understand the stock markets in a better way, it is important to know what is nifty and sensex. One needs to know how NSE and BSE work. NSE stands for National Stock Exchange. BSE stands for Bombay Stock Exchange. They both are the oldest stock exchanges in India. Furthermore, sensex is the stock index introduced by the BSE. Similarly, nifty is the stock index that was introduced by the NSE.

The first question that crosses our minds when we hear the term nifty is what does it mean? What is nifty full form? Well, the full form of Nifty is "National and Fifty". It means that nifty consists of 50 stocks that are actively traded. Furthermore, these stocks belong to 12 different sectors of the economy.

What is Nifty 50?

Nifty 50 was launched on April 21, 1996. It is managed by IISL. It is a flagship index comprising of 50 stocks of the index from 12 different sectors. As on March 31, 2017, the Nifty 50 index comprised of about 62.9% of the free float market capitalization of the stocks that are listed on NSE. In fact, the total trade in stocks of Nifty 50 during last six months ending March 2017 was 43.8% of the traded value of all stocks of NSE.

What is the Difference Between Demat and Trading Account?

Demat and Trading Account : Before you begin to trade in the stock market, two most essential requirements are having a demat account and a trading account. Novice investors often get confused about the difference between a demat account and a trading account. So let us understand the key distinction between a demat account and a trading account.

Meaning and Nature

When you buy shares, you need to store them in some safe place. Demat account stores the stocks that are bought and sold in dematerialised form. It is like a bank locker where you keep your valuables.

On the other hand, the trading account is a buying and selling platform which connects the stock market, bank account and the demat account. It helps to place buy or sell orders in the stock market.

Functional Difference

A demat account holds financial instruments like shares and securities in electronic form and in turn, saves you from holding them in the paper form. The process of converting physical shares into electronic form is called dematerialisation. Demat account also helps in re-materialization that is, converting shares from electronic form to paper form (share certificate).

However, the act of buying and selling happens through the trading account.

If you wish to trade in stocks, you need to have both demat and trading account. But if you wish to only trade in futures and options or currency, the trading account can serve the purpose and you don't need a demat account for that.

