Some Important terms in share market and in share trading

Open - The first price at which the stock opens when market opens in the morning.
High - The stock price reached at the highest level in a day.
Low - The stock price reached the lowest level in a day.
Close - The stock price at which it remains after the end of market timings or the final price of the stock when the market closes for a day.
Volume - Volume is nothing but quantity.
Bid - The Buying price is called as Bid price.
Offer - The selling price is called offer price.
Bid Quantity - The total number of shares available for buying is called Bid Quantity.
Offer Quantity - The total number of shares available for selling is called Offer Quantity.
Buying and selling of shares - Buy is also called as demand or bid and selling is also called as supply or offer. First selling and then buying (this only happens in day trading) is called as shorting of shares or short sell.
Transaction - One complete cycle of buying and selling of shares is called One Transaction.
Squaring off - This term is used to complete one transaction. Means if you buy then have to sell (means square off) and if you sell then you have to buy (means square off).

Learn Share Trading and Processes

Share Trading -
Buying and Selling of shares is called share trading.
Mainly there are two ways of doing share trading.
Online Share Trading.
Offline Share Trading.

Online Share Trading -

Doing share trading with help of computer, internet connection and with trading/Demat account is called Online Share Trading.
If you would like to do online share trading then you should have a computer, internet connection and online trading account.
Details of Online share trading has been given in next chapter.

Offline Share Trading -

Doing share trading with the help of broker or through phone is called Offline trading.
In other words trading will be done by another person on your behalf based on the instructions given by you, and then the other person can be a broker. The broker will do buying and selling of shares on your behalf depending on the instructions given by you.
If you want to do offline share trading then you need to open the Demat account. (provide link for procedure to open the Demat account)
Details of Offline share trading has been given in next chapter.

Different methods of buying and selling of shares

Following are the types of orders which are used for buying and selling of shares.

Market Order -

When you put buy or sell price at market rate then the price get executes at the current rate of market. The market order get immediately executed at the current available price. In market order there is no need to mention the price; the shares will get executed at the best current available price. If you wish to buy or sell shares at any specific price then market order is not suitable for you then you have to go for limit order. Market order is for those who want to buy or sell immediately at the current available price.

Limit Order -

It's totally different to market order. In limit order the buying or selling price has to be mentioned and when the share price comes to that price then your order will get executed with the mentioned price by you. But here it's not sure that the price will come to your limit order. In day trading its risk because you have to close all your transactions before 3:30 PM and if in case price doesn't reach to your limit order then your order will be open and then you have to go through (bare) the heavy penalties.
Importantly limit order and stop loss trigger price are used together.

Stop Loss Trigger Price-

Stop loss and trigger price are used to reduce the losses. This is very important term especially if you are doing day trading (intraday).Stop Loss as the name indicates this is used to reduce the loss.

Different types of shares trading

Day trading and Delivery trading are the two main types of shares trading.

Day trading -

Buying and selling of shares on daily basis is called day trading this is also called as Intra day trading. Whatever you buy today you have to sell it today OR whatever you sell today you have to buy it today and very importantly during market hours that is 9.55 am to 3.30 pm (Indian time).

Delivery Trading

In Delivery Trading, as the name say, you have to take the delivery of shares and after getting these shares in your Demat account you can sell them at anytime (or you can hold them till you want, there is no restriction). In delivery trading you need to have the amount required to buy share for example, if you want to buy 100 shares of Reliance at price 500 than you must have (100*500) Rs. 5000 in your account; once you purchased these shares will get deposited in your Demat account (say after basically, trading day and 2 additional days). Then you can sell these shares when the price of these shares goes up or else you can sell whenever you want.

Please Note - First you have to buy and sell. You can't sell before buying in delivery trading while it's possible in day trading.

Fundamental and Technical analysis in Indian Share Market

The fundamental and technical analysis are widely used for share traders but use of these analysis differs from traders to traders.

First of all lets see what these analysis means -

a) Fundamental Analysis -

The name itself indicates that this analysis is totally based on companies' fundamentals. Fundamental analysis is used for long term analysis and long term returns. Following are the few fundamental terms used to forecast and analyze the companies' future growth and based on this analysis transaction of shares will be done.

Companies expansion or planning in coming future.

Management processes and planning

Meeting of Board of directors

Declaration of yearly financial statements

Study of past performance of the company.

Study of quarterly, half yearly and annual reports.

Companies involvement in foreign investment/collaboration, political or economic involvements, etc.

Depending on these factors and many others, fundamental analysts prepares certain share market and share trading related terms which will be used to forecast the company growth and prospects. The terms like Whether the share prices are overvalued or under valued,

Working capital ratio,

Return on equity ratio,

Debt equity ratio etc.

Based on these terms and other fundamentals, the analysts predict the movement of share prices that is either bullish or bearish in coming future.

Basically fundamental analysis is meant for long term investments and not for day trading or short term investment. So traders planning to invest for long term in share market then they must go for fundamental analysis.

Always good fundamental companies give good results and returns for share holders in long term.

b) Technical Analysis -

As fundamental analysis made for long term investments, likewise technical analysis is made for day traders and short term traders. Technical analysis is nothing but study of charts, support and resistance levels, technical indicators and other parameters which are useful to analyze the share price movements in short term or in day trading. There are several factors and terms in Technical analysis which will be discussed in detail in further topics.