

Market terminology in a nutshell

Closing Price

The last price a share is traded at for the day.

Today's High

The highest price a share is traded at for the day.

Today's Low

The lowest price a share is traded at for the day.

Dividend

When company profits are good, an amount of money is paid by that company to people that hold shares in that company.

Dividend Yield

A way to measure how much cash (dividend) you are getting for each Rand invested in a company's share i.e. your dividend received as a percentage of the company's share price.

Price-Earnings Ratio (P/E Ratio)

Shows how much investors are willing to pay for each Rand of the company's earnings. If a company's shares are currently trading at a P/E of 20, it means that an investor is willing to pay R20 for R1 of the company's current earnings.

Volume

The number of shares that change hands between sellers and buyers.

Market Sentiment

The feeling or mood of investors about a market.



JOHANNESBURG STOCK EXCHANGE
Equity Market

Market terminology in a nutshell

'JSE was UP'

When the majority of share prices of the companies listed on the JSE, INCREASED.

'JSE was DOWN'

When the majority of share prices of the companies listed on the JSE, DECREASED.

Correction

When a share price falls for a short period, but rises in the long run.

Market Crash

When a market's value falls by more than 20% during a short period of time.

Panic Selling

When investors are selling in reaction to pure emotion and fear.

Speculation

Buying shares with the intention of selling them after a very short period, to make a quick profit.

Hedge

When you have shares, but are worried that the share price will move unfavourably, you use a derivative instrument to protect your investment.

Bubble

When share prices are abnormally high because of investor sentiment and are expected to fall back to "normal" levels soon.



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