The Markets

• **Primary Markets** – where stocks are created

• **Secondary Markets** – investors trade previously issued stocks
  • The Stock Market

• **Companies are not involved in the buying and selling of their stock.**
Bull and Bears

- Bear Market – the economy is bad and a recession is looming
Options vs. Futures

- Options give the holder the right to buy or sell the underlying asset at expiration, a futures contract is an obligation to fulfill the terms of a contract.

- **Options**: A privilege, sold by one party to another, that gives the buyer the right, to buy or sell a stock at an agreed-upon price within a certain period or on a specific date.

- **Futures**: A financial contract obligating the buyer to purchase an asset at a predetermined future date and price (i.e. currency, commodities).