

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)