WHAT ARE EQUITY MARKETS?

Definition

They are places where people buy and sell ownership shares in companies, known as "equity" or "stocks."

Trading Platform

- The equity market serves as a marketplace for trading ownership shares (stocks) of various companies.
- Individuals and institutions can participate in trading.

Shareholder Status

When you buy a stock, you become a shareholder in that company.

Profit Opportunity

- People buy and sell stocks in the equity market with the goal of making a profit.
- Profit is achieved when the stock's value increases over time.

Economic Significance

Equity markets foster business growth, provide investment opportunities, and serve as crucial economic health indicators.

Fundraising

Equity markets help companies raise money by selling shares to investors.

Examples

Iconic equity markets are Wall Street and the City of London.

Wealth Growth

Equity markets provide opportunities for investors to grow their wealth through stock ownership.