

Lesson 1- Intro to the Stock Market

Chapter 1: what is the stock market

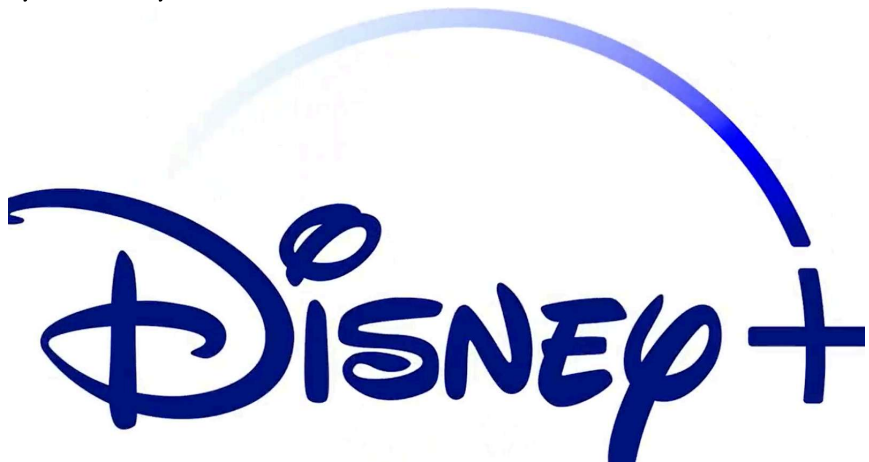
Intro to the Course

This course is designed to give you a clear and practical understanding of how the stock market works. You will learn what stocks are, why people invest in them, the differences between types of stocks, and how market conditions influence price movement. This course is built for beginners with no prior experience and focuses on long term investing rather than short term speculation. By the end, you will understand what you are investing in, why prices move, and how to think like an investor instead of a gambler.

What Is the Stock Market?

The stock market is best understood as a marketplace where people buy and sell small ownership pieces of companies. Instead of purchasing a physical product, you are buying a portion of a business. When you buy a stock, you are becoming a partial owner of that company.

If you have disney



But you are buying with a stock this much



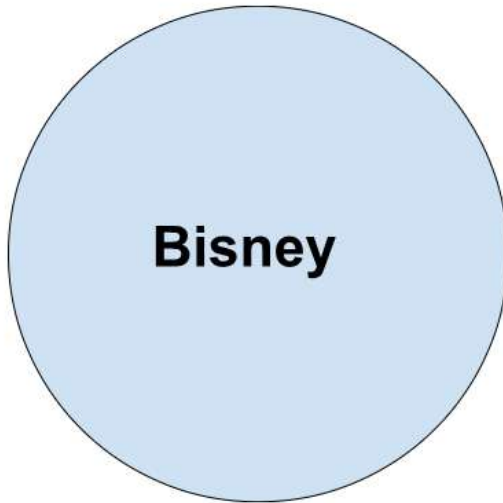
What are public share-

When a company decides to go public, it does not sell the entire business. Typically, only about 15–30% of the company is offered on the stock market. The remaining portion stays owned by founders, executives, and early investors. This means that when you buy stock, you are buying a share of that public portion, not the entire company.

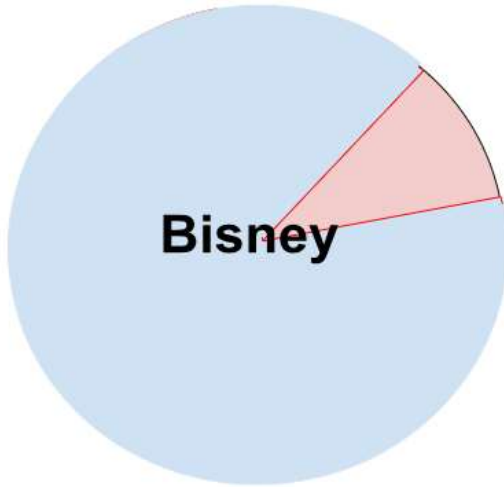
Chapter 2 :Understanding Company Ownership Through Stocks

Stock scenario

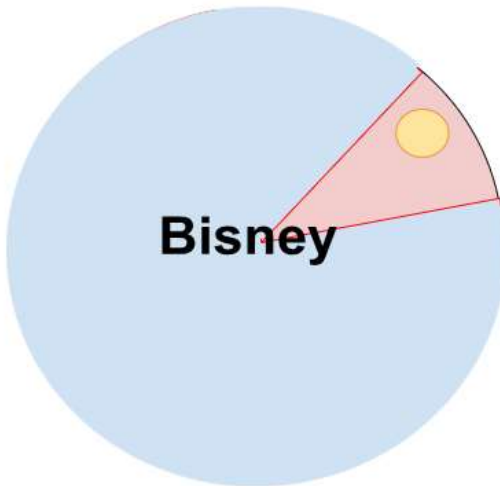
To understand this concept more clearly, imagine a company called Bisney, a fictional shoe company that produces running shoes. Let's say the total value of Bisney as a company is one million dollars.



If Bisney decides to sell 15% of the company on the stock market, only that portion becomes available to investors. When you buy shares, you are buying a small piece of that 15%, not the entire business. Owning more shares simply means owning a larger portion of that publicly available slice.

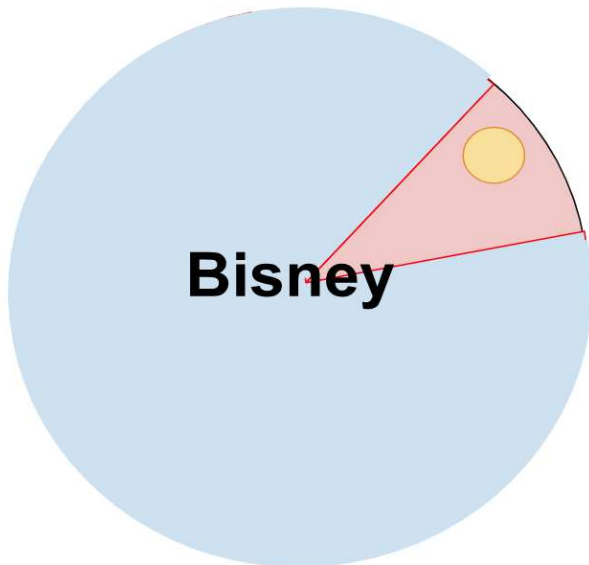


At first, nothing seems to change. You own part of the company, and the company continues operating as usual. However, the value of your ownership is affected by what happens next.



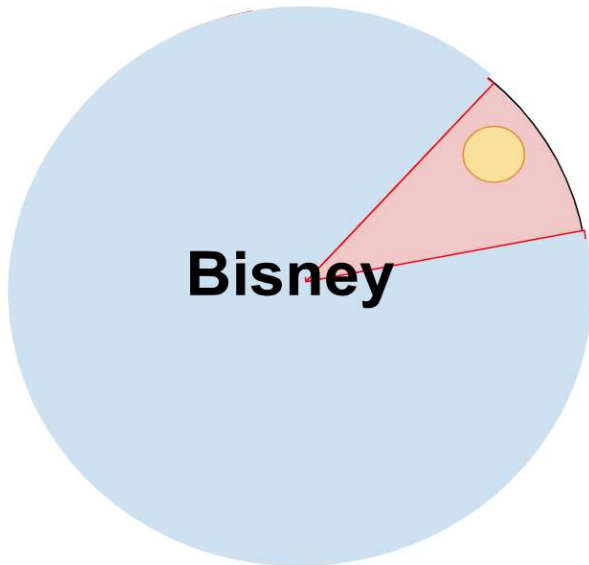
How Stocks Increase in Value

Stocks increase in value in two primary ways. The first is through company growth. If Bisney releases a revolutionary running shoe and demand explodes, the overall value of the company may grow from one million dollars to five million dollars. Your ownership percentage stays the same, but the value of that ownership increases along with the company.



Demand based of trend

The second factor is demand for the stock itself. As more people want to own shares, buyers are willing to pay higher prices. This demand can increase stock prices even if company fundamentals have not yet changed. These two forces, company value and market demand are separate, but both influence stock price. Either one can drive growth.



Chapter 3: Types of Investments in the Market

Company Stocks

A company stock represents ownership in a single business. The value of your investment rises when the company grows and falls when the company performs poorly. Because all your money is tied to one company, this type of investment carries higher risk. Investors must be careful not to put too much money into a single stock.

Index Funds

An index fund is a collection of many companies bundled together into one investment. When you invest in an index fund, your money is spread across multiple businesses instead of relying on just one. This diversification lowers risk and creates more stable, long term growth.

Why are they better

Index funds are designed for long term investing and are considered one of the safest ways to grow wealth over time. They typically grow slowly but consistently and are ideal for building financial stability. For most investors, index funds should make up the largest portion of their portfolio.

Commodities and Minerals

Commodities such as gold, silver, and oil are also traded in financial markets. Unlike company stocks, these assets have physical value and are heavily influenced by global events. During times of fear, war, or political instability, investors often move money into commodities because they are seen as safer stores of value.

Commodities usually grow slowly, similar to index funds, but can experience sharp price changes during global crises. Because they are strongly affected by government decisions and world events, investing in commodities requires awareness of global stability.

Chapter 4: Who Influences the Stock Market?

Governments

Governments influence the stock market by controlling regulations, trade policies, and whether companies are accessible to foreign investors. While governments do not directly control stock prices, their decisions can significantly affect which markets are open and how attractive investments become.

Public Perception and Environment

Public opinion plays a major role in stock prices. If people support a company's decisions, products, or leadership, the stock often rises. If public sentiment turns negative, stock prices can fall regardless of innovation or revenue. Investors must stay aware of how companies are viewed by consumers and the broader market.

Global Conditions

Wars, elections, tariffs, and economic policies strongly influence the stock market. During uncertain times, investors often pull money out of stocks and move it into safer assets. When global conditions are stable, investors are more willing to take risks, and markets tend to grow. These forces affect long-term trends and should never be ignored.

Buyers and Sellers

Stock prices move based on supply and demand. Buyers want to purchase stocks at lower prices, while sellers want higher prices. The constant interaction between buyers and sellers determines price movement. This balance is influenced by all other factors, including government decisions, public sentiment, and global events.

Bullish and Bearish Markets

A bullish market is one where prices are generally rising and investor confidence is strong. This environment is ideal for buying and holding investments. A bearish market is one where prices are falling and fear dominates. Bearish markets are more dangerous for new investors but can create long term opportunities for experienced ones.

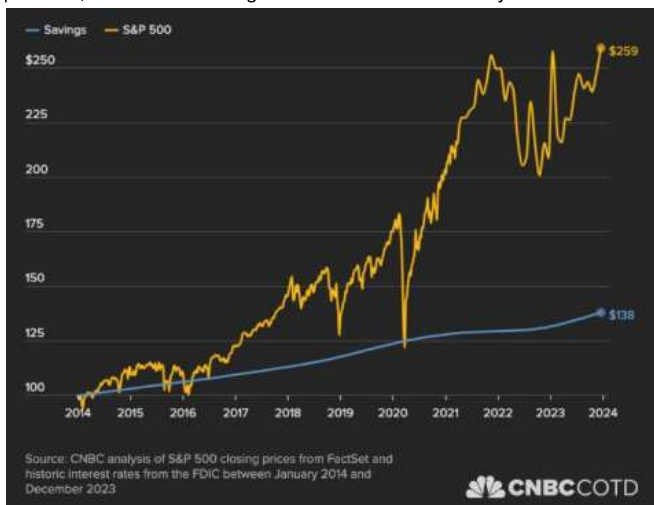
When to buy in a bullish or in a bearish market

As an investor, you want to buy during bullish conditions or at early signs of recovery. If you already own stocks, bullish markets confirm strength, while bearish markets require caution and risk management.

Why would you Invest in the Stock Market

Investing is not easy, and there are many ways to lose money. However, when done correctly, investing allows your money to grow far more effectively than leaving it in a bank account. Index funds, in particular, offer consistent long term growth and are historically far more effective than savings accounts.

While banks may offer limited annual returns, long term investing allows your money to compound and grow with the economy. You can make close to 50% more in index funds per year than if it just sits in a savings account in a bank. The key to success is consistency, patience, and understanding how external forces affect your investments.



chapter 5: before you finish this course

The Investor Mindset

Successful investing is not about being smarter than everyone else. It is about being more disciplined. Most investors lose money not because they lack information, but because they react emotionally. Fear causes people to sell during drops, and greed causes people to buy during excitement. This course teaches you how to step back from emotion and make decisions based on structure, logic, and probability. Learning how to think like an investor is more important than learning any single strategy.

Understanding the Time Horizon

This course focuses on long term investing, not short term trading. Long term does not mean holding forever, but it does mean thinking in months and years rather than days or weeks. Short term price movements are often driven by noise, news, and emotion. Long term movements reflect real value, confidence, and business strength. Throughout this course, decisions are based on confirmed trends and sustainable growth, not daily fluctuations.

summary

Successful investing is not about guessing or reacting emotionally. It is about understanding structure, tracking the market, and staying informed. Investors who consistently monitor their holdings and adjust based on logic not fear, are the ones who succeed over time.