



Junior Trader – Simple Jargon Buster (Starter Version)

Share

A small piece of a company you can buy. If the company does well, the share price may rise.

Stock Market

A place where people buy and sell shares.

Portfolio

All the investments you choose to hold for the competition.

Diversification

Not putting all your money into one share. Spreading risk.

Risk

The chance that your investment could fall in value.

Return

How much money you make or lose from an investment.

Index (e.g. FTSE 100)

A list that shows how a group of major companies is performing.

Sector

A group of companies that do similar things (e.g. supermarkets, banks, fashion).

Dividend

Money some companies pay to shareholders from their profits.

Commodity

Something traded like gold or oil.

Currency

Money used in a country (e.g. pounds, dollars, euros).

Buy

Purchasing shares because you think the price will rise.

Sell

Selling shares if you think the price may fall.

Price

The amount one share costs at that moment.

Volatility

How much a share price moves up and down.

Bull Market

When prices are rising and people feel confident.

Bear Market

When prices are falling and people feel cautious.

Broker / Trading Platform

The online system you use to buy and sell shares.

Market Order

Buying or selling at the best price available right now.

Limit Order

Choosing a price at which you want to buy or sell (JT may or may not allow this depending on rules).

Profit

When you sell something for more than you paid.

Loss

When you sell something for less than you paid.

Research

Reading news, looking at results and understanding a company before buying its shares.

Results / Earnings

How much money a company made in a period (usually every three months or once a year).

News Event

A story or announcement that can affect a company's share price (sales figures, scandals, CEO changes, new products, etc.).

IPO

When a company sells its shares on the market for the first time.

Market Capitalisation (“Market Cap”)

The total value of a company on the stock market (share price \times number of shares).

Liquidity

How easy it is to buy or sell a share quickly.

Long Position

Buying a share because you believe it will increase in value. (JT mostly uses long-only.)