

# **GRADUATE SCHOOL OF BUSINESS AND ENTREPRENEURSHIP**



**English in business communication skills:**

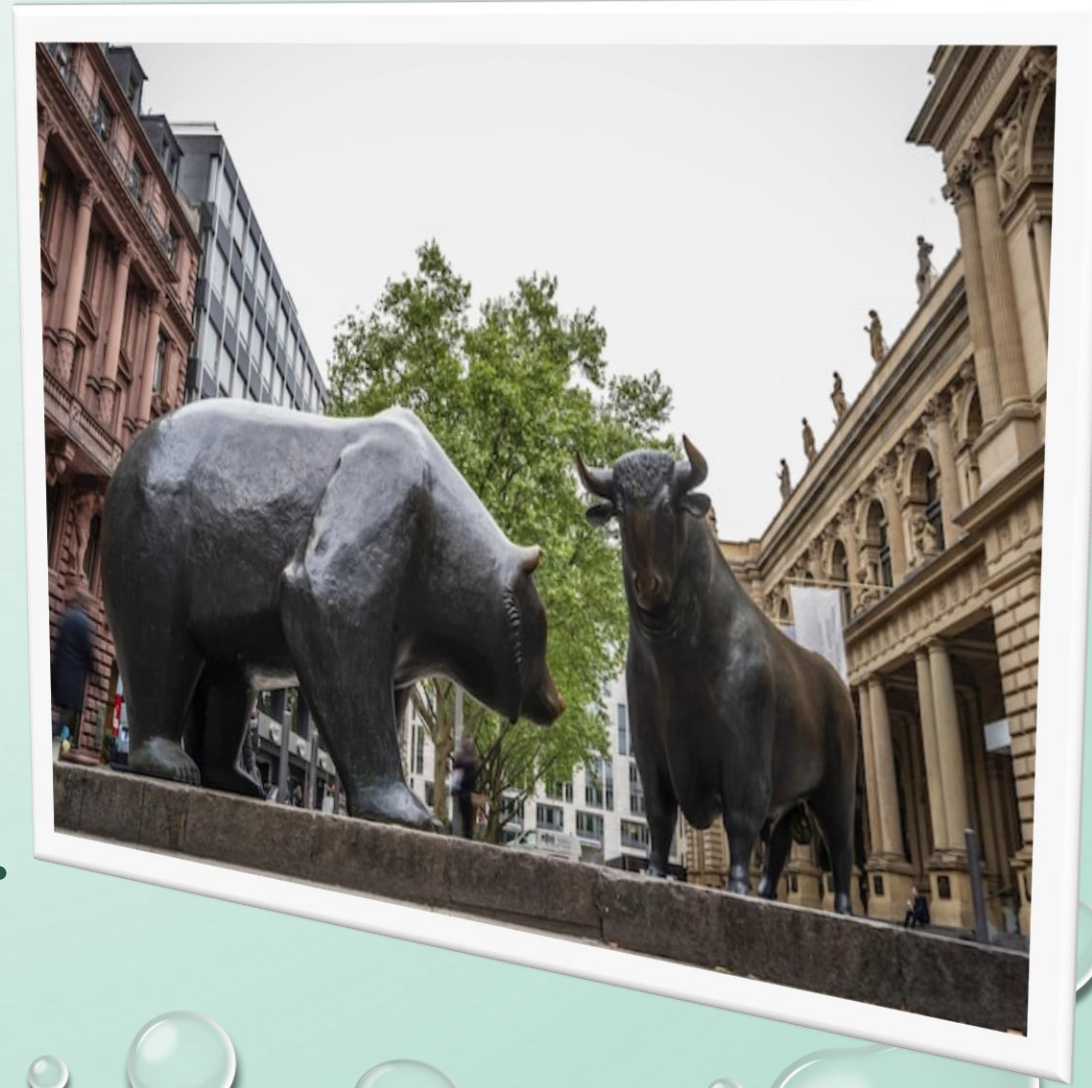
**Lesson 5**

**Trading; Market indexes**

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## Trading

Trading is the buying and selling of securities, such as stocks, bonds, currencies and commodities, as opposed to investing, which suggests a buy-and-hold strategy. Trading success depends on a trader's ability to be profitable over time.

Trading involves vigorous participation in the financial markets in comparison to investing, which works on a buy-and-hold strategy. The success of trading is dependent on the ability of a trader to be profitable over a period of time.

<https://www.warriortrading.com/how-to-buy-and-sell-stocks/>





<https://www.ziprecruiter.com/career/Trader/What-Is-How-to-Become>

A trader is a person who gets involved in buying and selling of a financial asset in any financial market. He or she can buy or sell either for himself/herself or on behalf of another individual or institution. The main difference between an investor and a trader is the duration for which he or she holds on to the asset.

A trader is a person who engages in the short-term purchasing and selling of an equity either for an institution or for themselves. The disadvantages of trading include - capital gains taxes which is applicable to trades and the expenses of paying brokers in the form of multiple commission rates.

Trade is a primary economic concept which involves buying and selling of commodities and services, along with a compensation paid by a buyer to a seller. In another case, trading can be an exchange of commodities/services between parties. Trade can occur between producers and consumers within an economy.

Traders can work for financial institutions, in which case they will trade via the funds and credits of a company, and they are paid a combination of bonus and salary. As another option, traders can work for themselves too, as in they can trade with their own money and credit. However, with this option they will also keep all of the profit to themselves.



<https://www.businesstoday.in/magazine/commodities/story/commodities-trading-expert-tips-myths-busted-31287-2012-05-29>



<https://www.investopedia.com/terms/t/trade.asp>

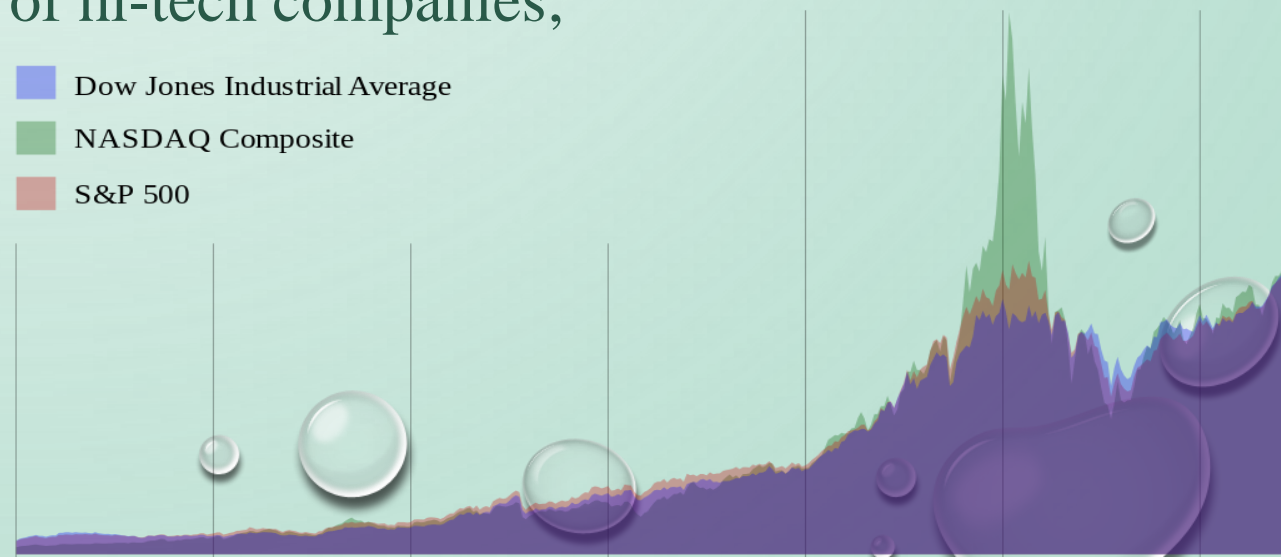
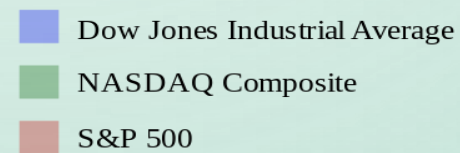
## Market indexes

If there is **demand** for shares in a company, for example because it is doing well, its **share price** goes up. The overall value of shares traded on a stock market is shown by an **index** (plural **indexes** or **indices**).

Here are some of the most important indexes:

1. London: FTSE: the financial times stock exchange index – pronounced ‘footsie’;
2. New York: Dow Jones Industrial Average – specializes in shares of long- established companies;
3. New York: Nasdaq – specializes in shares of hi-tech companies;
4. Paris: CAC 40;
5. Frankfurt: DAX;
6. Tokyo: Nikkei;
7. Hong Kong: Hang Seng;
8. Shanghai: SSE.

[https://en.wikipedia.org/wiki/Stock\\_market\\_index](https://en.wikipedia.org/wiki/Stock_market_index)



## Market activity: good times ...

1. **trading** - buying and selling of shares
2. **very high turnover** - a large number
3. **changing hands** - being bought and sold
4. **gains** - big increases in value
5. **blue chips** - famous companies that are profitable in good times and bad
6. **bull market** - rising level of prices
7. **record high** - highest level ever
8. **close** - end of the working day
9. **opened** - started the day
10. **gaining** - increasing by
11. **points to close up** - ending the day higher
12. **bullish** - feelings are optimistic
13. **level** - to pass the 'round' number of ...
14. **barrier** - an important level, but one that is not easy to get through



<https://www.moneycontrol.com/news/business/personal-finance/good-times-ahead-for-debt-funds-though-returns-are-muted-8345081.html>

**Trading** has been heavy on the New York stock exchange, with very high **Turnover** of one and a half billion shares **changing hands**. We've seen some spectacular **gains**, especially among **blue chips**. <https://www.legacyplanninglawgroup.com/how-does-a-bull-market-affect-my-estate-plan/> seems set to continue, after yesterday's **record high** at the **close** with prices continuing to rise today, having **opened** at 14,600 and **gaining** 121 points **to close up** at 14,721. Sentiment is **bullish**: some of the dealers I've spoken to Expect the Dow to **go through** the important 15,000 **level** sometime soon, but others see this as a psychological **barrier** that will be difficult to pass.

<https://www.legacyplanninglawgroup.com/how-does-a-bull-market-affect-my-estate-plan/>



## Market activity: ... and bad times

<https://eurobelarus.info/news/economy/2015/08/19/ekonomika-belarusi-prodolzhaet-katit-sya-vniz.html>

1. **panic selling** - selling shares at any price
2. **lows** - lowest level for five years
3. **sell-offs** - selling
4. **declines** - decreases
5. **wiped-off** - taken off
6. **market capitalization** - the total value of shares on the market
7. **closing down points** - ending the day lower
8. **bear market** - falling level of prices
9. **falls** - decreases
10. **bearish** - pessimistic
11. **rally** - prices starting to rise again
12. **collapse or crash** - very serious drop in the value of shares, with very serious consequences

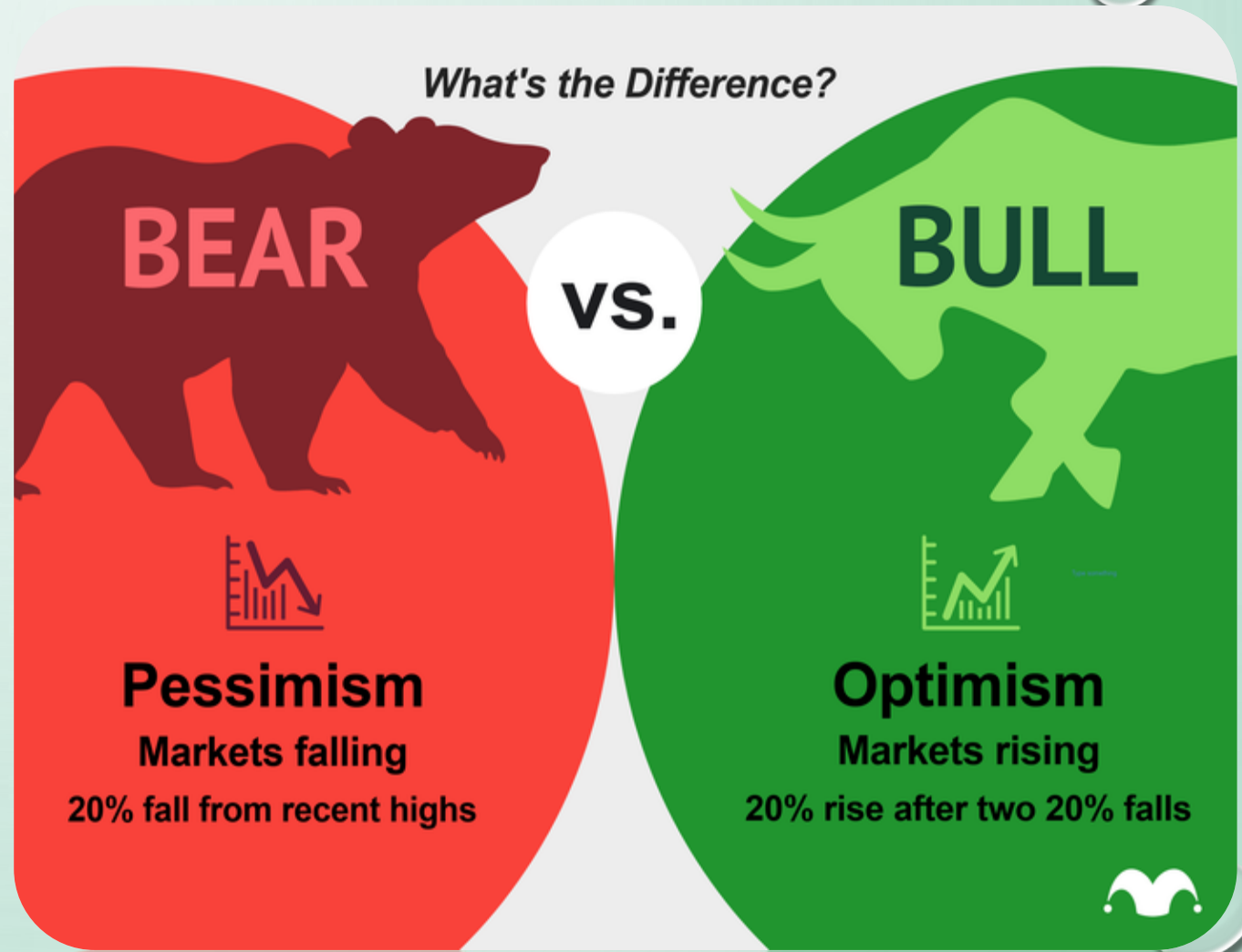




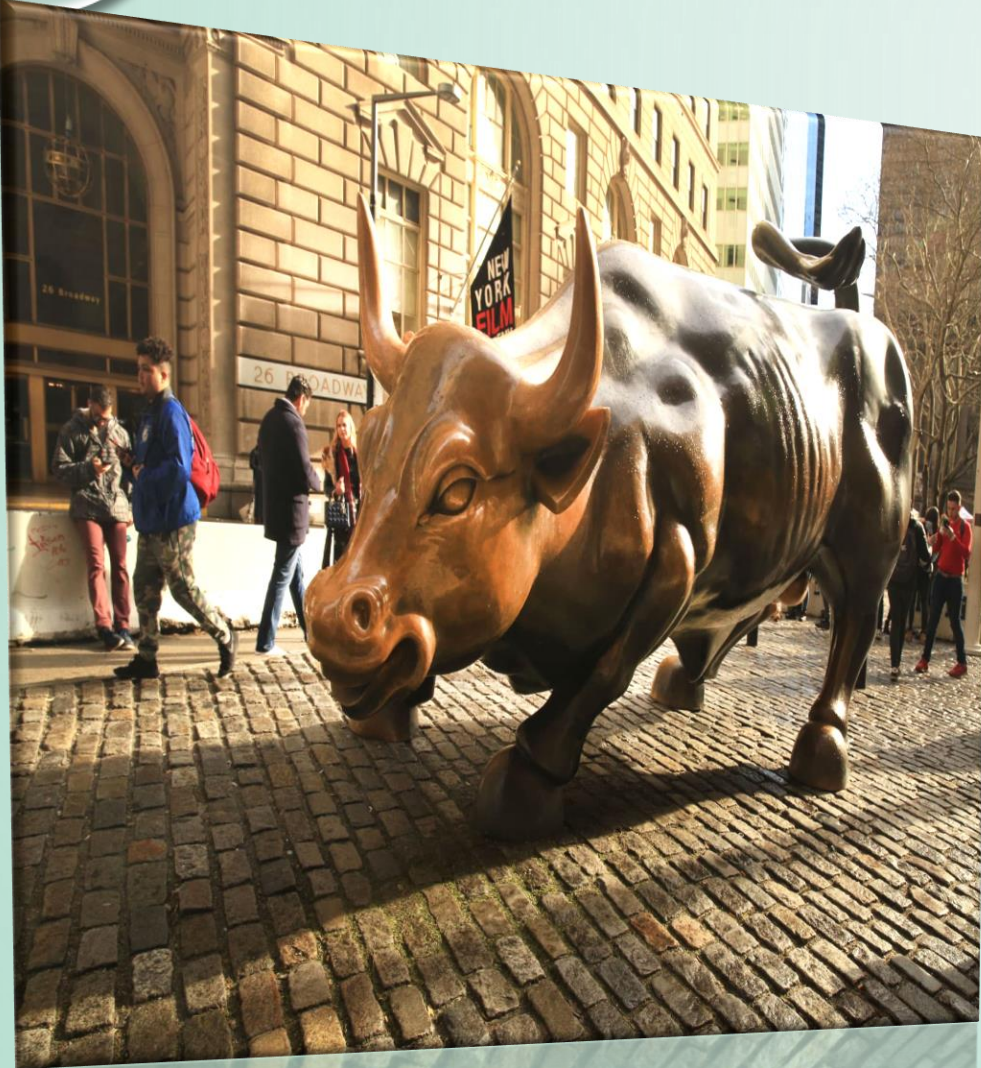
There was **panic selling** on the New York stock exchange today as share prices fell to new five-year **lows** in a massive **sell-off**. We've seen some very big **declines**, with billions of dollars **wiped off** the value of some of America's best known companies, and more than ten per cent of total **market capitalization**, **closing down 1,095 points** at 10,072. The **bear market** seems set to continue, with more **falls** in the next few days. Dealers are still very **bearish**: There is no sign of a **rally**. If prices continue to fall, we may be looking at a real stock market **collapse** or **crash**, like the ones in 1929 and 1987.

## An Overview of Bull and Bear Markets

In the investing world, the terms “**BULL**” and “**BEAR**” are frequently used to refer to market conditions. These terms describe how stock markets are doing in general—that is, whether they are appreciating or depreciating in value. And as an investor, the direction of the market is a major force that has a huge impact on your portfolio. So, it's important to understand how each of these market conditions may impact your investments.



# BULL MARKET VS. BEAR MARKET



A Bull market is a market that is on the rise and where the conditions of the economy are generally favorable. A bear market exists in an economy that is receding and where most stocks are declining in value. Because the financial markets are greatly influenced by investors' attitudes, these terms also denote how investors feel about the market and the ensuing economic trends.

A bull market is typified by a sustained increase in prices. In the case of equity markets, a bull market denotes a rise in the prices of companies' shares. In such times, investors often have faith that the uptrend will continue over the long term. In this scenario, the country's economy is typically strong and employment levels are high.

## what does a bull market look like?

Following the 2008 Financial Crisis, the S&P 500 Index experienced its longest-running bull market — growing 330% from March 2009 to October 2019.





By contrast, a Bear market is one that is in decline. A market is usually not considered a true "bear" market unless it has fallen 20% or more from recent highs. In a bear market, share prices are continuously dropping. This results in a downward trend that investors believe will continue; this belief, in turn, perpetuates the downward spiral. During a bear market, the economy slows down and unemployment rises as companies begin laying off workers.

# HYGIENE POVERTY ON THE RISE IN THE U.K. (7TH NOVEMBER, 2022)

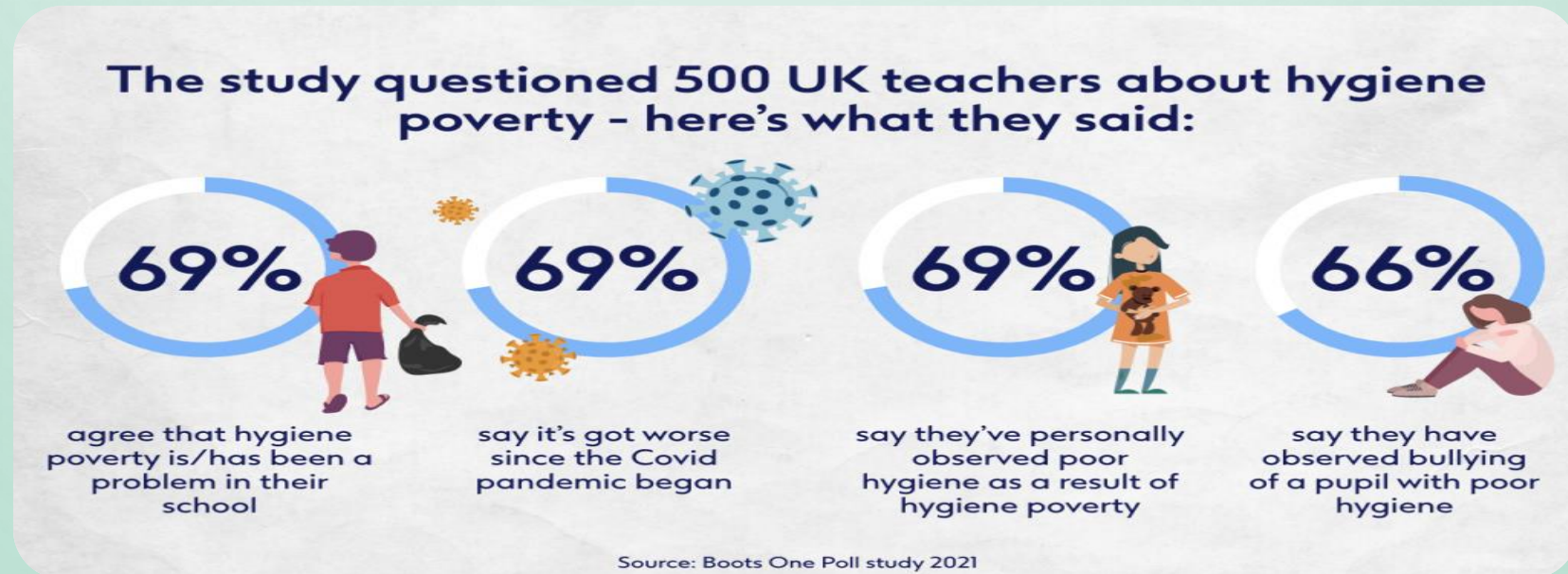
- **spiraling** - of costs, wages, prices, etc. continuously rising;
- **drastic** - likely to have a strong or far-reaching effect; radical and extreme;
- **cutback** - a reduction in rate, quantity, etc. a cutback in production;
- **foregoing** – going without something you usually have or need;
- **deodorant** - a spray, liquid or hard gel that removes or hides unpleasant smells, especially bodily odours;
- **harrowing** - very, very distressing;
- **vulnerable** - of a person in need of special care, support, or protection because of age, disability, or risk of abuse or neglect.

**devastating** - causing severe shock, distress or grief;  
**ashamed** - embarrassed or guilty because of one's actions;  
**repercussions** - unintended consequences of an event or action, especially unwelcome ones;  
**maintain** - cause or enable a condition or situation to continue;  
**acne** - a skin problem characterized by red pimples on the skin, especially on the face;  
**condition** - an illness or other medical problem;  
**avoiding** - keeping away from or stop oneself from doing something.

## HYGIENE POVERTY ON THE RISE IN THE U.K. (7TH NOVEMBER, 2022)

With the spiralling cost of living, many people are making drastic cutbacks. In the UK, millions of people can no longer afford essential hygiene products. This has been termed "hygiene poverty". A report from the charity hygiene bank states that up to 3.2 million adults are affected by this. Britons are foregoing basic goods such as soap, deodorant, toothpaste, shaving products, toilet paper and sanitary products.

<https://thehygienebank.com/thousands-of-uk-families-cant-afford-toothpaste-soap-or-shampoo-for-kids-new-report-the-mirror/>



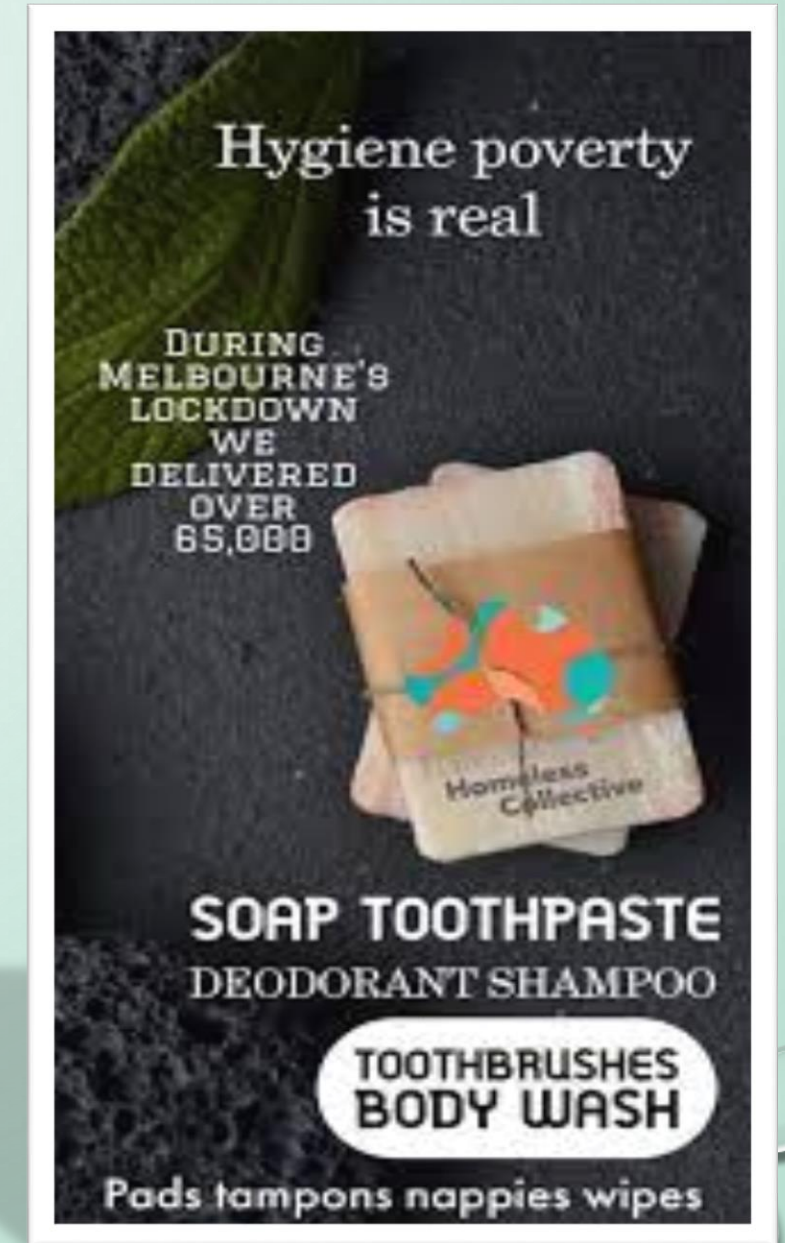
They are facing the harrowing decision of eating and heating their homes and not buying hygiene products. Hygiene bank described the problem as a "hidden crisis". It said the situation is "much more widespread than we feared. It's increasing, and it's disproportionately impacting the most vulnerable".

## **The Hygiene Bank Ireland**

Join us in our fight against Hygiene Poverty



Hygiene poverty is having a devastating impact on people's daily lives. Many people feel too ashamed to leave their house because they are worried about looking dirty or smelling bad. Hygiene bank's chief executive Ruth Brock warned of the terrible repercussions of being unable to maintain basic hygiene standards. She said many people cannot "access their life chances". She said: "we have mums telling us...that they want to be last on the nursery drop-off because they're too embarrassed and ashamed to see other parents." Many people with acne are worsening their condition because they cannot afford soap. Others are avoiding all social contact by not answering their phone.



## Reference

1. **Business vocabulary in use, Bill Mascull, Cambridge university press, 2017. (pp.82-83)**
2. **<https://www.investopedia.com>**
3. **<https://www.accountingtools.com>**
4. **<https://www.managementstudyguide.com/banking-articles.htm>**
5. **<https://breakingnewsenglish.com>**

**Thank you for attention!**