

Basics of Stock Market for Beginners





Topics to be discussed

- What is stock market?
- Why do we need stock market?
- How to invest in stock market?
- What is Sensex & Nifty?
- What are shares?
- Types of share markets?
- Q&A Sessions!

Why do we need Stock Market?

- **Wealth Creation:** The stock market gives investors an opportunity to share in the profits of the major companies.
- **Diversification:** The stock market helps investors to diversify their portfolio. Though it is a bit risky, but the risk can be minimised with the right strategy & research.
- **Capitalizing Companies:** The stock market helps the companies to raise funds from the public so that they can grow by time.

How to invest in Stock Market?

HOW TO START INVESTING IN STOCKS:

A step-by-step guide

1

Decide your investing approach

2

Decide how much you will invest in stocks

3

Open an investment account

4

Diversify your stocks

5

Continue investing





What are stock Exchanges?

- Stock exchanges is a platform where traders and buyers come together to buy & sell stocks. There are 2 primary stock exchanges in the country: Bombay Stock Exchange (BSE) and National Stock Exchange(NSE).

What is NSE and BSE?

National Stock Exchange(NSE) was founded in 1992 and is in Mumbai. Electronic trading was first introduced by the NSE. It has over 1600 + companies listed.

Bombay Stock Exchange(BSE) was founded in 1875 and is the oldest stock exchange in Asia. It has over 5000+ companies listed.



What is Sensex & Nifty?

SENSEX

- Sensex in simple words, is the combined value of stocks of 30 top companies listed on the Bombay Stock Exchange(BSE).
- BSE can revise this list of 30 over the time.
- Sensex also indicates the economy.

Nifty

- This is an index on 50 shares listed on the National Stock Exchange of India.
- It covers 50 top performing companies from different sector.



When can you conduct stock market transactions?

- The stock market business hours in India run from 9:15am to 3:30pm. There are a few days in the country when the stock market is shut, they are also known as market holidays.

What are Shares?

- In simple words, a share indicated a unit of ownership of the particular company. If you are a shareholder of a company that means that you as an investor hold a percentage of ownership of the issuing company.
- As an investor, you stand to benefit from the company's profit and also bear the losses.



TYPES OF STOCKS

- **Large Cap Stocks:** These companies are well established and have a strong presence in the market. Companies like TCS, Reliance fall under this category.
- **Mid Cap Stocks:** These companies have the potential to grow big and are relatively riskier compared to the large cap companies.
- **Small Cap Stocks:** Startups fall under this category and are highly risky compared to the above two. On the upside, they can become a runaway success overnight.



Types of Share Market?

- **PRIMARY MARKET:** This is the market where a company for the very first time raises funds. Eg-IPOs
- **SECONDARY MARKET:** This is the market where the securities which were issued earlier in the Primary Market are traded.



Beginner's Tips.

- It's always better to do your own research before investing.
- It's not wise to take decisions based on rumours.
- Patience is very essential for investors.
- Monitor your investments regularly.
- Always be updated with the share market news.



Q&A Session

Your Doubts – My Answer



Credits

- Thanks to all my team member who made this session successful.
- And a special thanks to all of you for sitting throughout the presentation patiently & actively participating in it.