

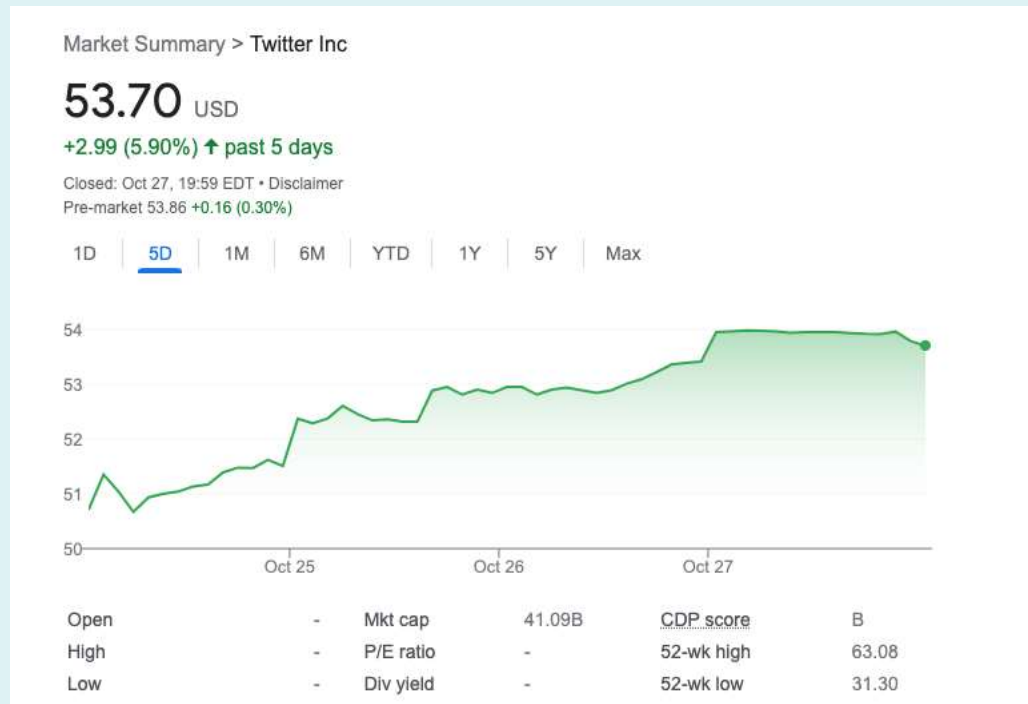
Investment toolkit

Super Satang



What is a stock chart

- A stock chart shows the price of the stock over time

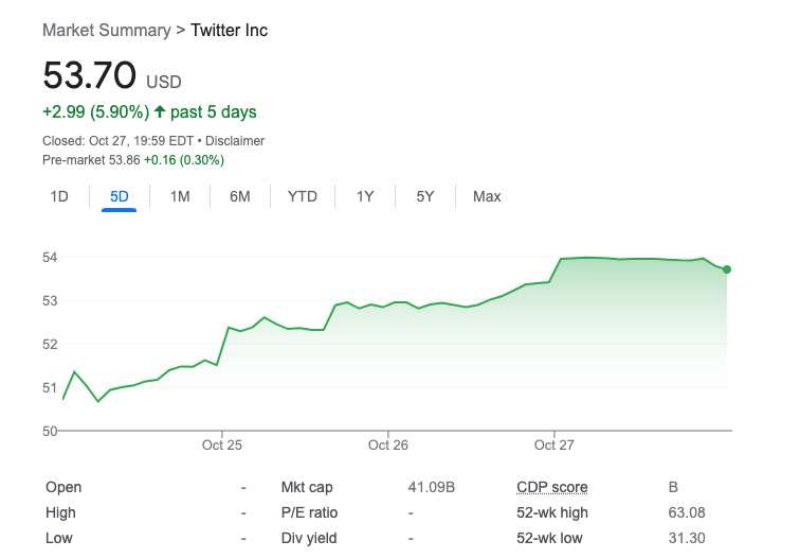


4 main elements you should look at

- Trend line
- Support and resistance line
- When/where dividends are released
- Historic trading volumes



The trend line



- It gives us a sense of how the stock is performing over a period of time
- Major ups and downs are usually because of a reason – you can look at the date to find out what happened– gives further context.
- Use this just to see what is going on first
- E.g. the major increase for twitter was because Elon Musk managed to acquire it



Support and resistance lines

Basically:

Support line: Is a price that a stock is unlikely to drop below

Resistance: A line that is unlikely to go above

A stock usually bounces between these two lines



What do you use these lines for?

- Seeing the overall trend path e.g. up or down which helps you decide if you want to invest in this stock in the long term
- It helps you decide when to buy and sell e.g. buy at the support and sell at the resistance
- You must remember to use your own judgment as well



Dividends

- When the company declares an amount to give back to shareholders. If you own some stock you will get an amount too. The amount is usually paid per stock you own
- You should check when this gets released as:
 - 1) You will receive dividends
 - 2) The stock price USUALLY goes up after dividends are declared

NOTE: Some stocks don't offer dividends



Earnings

- Every company will have to release their earnings every 4 months (Every quarter).

If they exceed their target: The stock price usually goes up
If they don't meet their target: The stock price usually goes down

It is important to note when these earnings are released



Trading volumes

- At the bottom of the chart, the vertical lines represent the volumes of stock traded
- Volumes usually increase when there is good or bad news about that company
- When volumes go up, the price can change quickly

It is important to note this but sometimes it doesn't have a correlation at all.



Before looking at all of this...

It is important to believe in the company you choose to invest in!

How to research:

Choose an industry you believe is emerging – use tools like Bloomberg and other news sources

Choose a company – research what makes this company different.

Look into the financial reports of the company – get a general idea



It is important to practice!

I highly encourage you to practice using online stock simulators before investing in the real world

