

# What is a trade in the stock market

- *A trade in the stock market is an exchange of money for shares in a company.*
- *Buyers bid prices they are willing to pay for shares.*
- *Sellers ask prices they are willing to receive for shares.*
- *Exchanges set market prices to achieve the maximum number of transactions.*
- *Company shares or stocks are called financial securities.*
- *Bonds are also financial securities.*
- *Futures and options are derivatives whose values are derived from the underlying securities or commodities.*

