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Equity Market

The Equity Market in which shares are issued and traded, either through exchanges or over-the-counter markets. Also known as the stock market, it is one of the most vital areas of a market economy because it gives companies access to capital and investors a slice of ownership in a company with the potential to realize gains based on its future performance.

Equity Market can be split into two main sectors:

The primary and secondary market. The primary market is where new issues are first offered. Any subsequent trading takes place in the secondary market.

Equity trading can be performed by the owner of the shares, or by an representative authorized to buy and sell on behalf of the share's owner. Proprietary trading is buying and selling for the trader's own profit or loss. In this case, the principal is the owner of the shares. Agency trading is buying and selling by an agent, usually a stock broker, on behalf of a client. Agents are paid a commission for performing the trade.

Why Equities ?

The most important benefit of Equity Market is that they help in the smooth functioning of the business. But the question arises HOW? If the business is earning decent revenues and all its projects are successful, then in that case then the investors become interested in the further projects of the organization.

This in return helps the organization in getting the funds available for its future projects. Equity Market helps the business in getting the initial capital and also help them in maintaining the cash flow which is very slow in the initial phase of the business. In the long run equity market always plays an important role in ensuring higher returns to the investor as compared to other forms of investments.

Trading on equity is sometimes referred to as financial leverage or the leverage factor.

Trading on equity occurs when a corporation uses bonds, other debt, and preferred stock to increase its earnings on common stock. For example, a corporation might use long term debt to purchase assets that are expected to earn more than the interest on the debt. The earnings in excess of the interest expense on the new debt will increase the earnings of the corporationâ€™s common stockholders.

The increase in earnings indicates that the corporation was successful in trading on equity.

Benefits of Equity Trading :

â€¢ Trading equity refers to the universe of stocks, options and preferred stock in public markets. Equity trading specifically eliminates debt trading.

Where Does Equity Trading Take Place?

â€¢ Trading equities usually takes place in public markets, both domestic and overseas. Equity trades can take place at almost any time of the day or night. Trading securities not on a listed exchange involves cost inefficiencies due to lack of liquidity. It is possible to trade equities through the futures markets.

Bid and Offer Price

â€¢ Equity markets provide a bid and offer price for every trade. The difference, or spread, is earned by market makers that make trading profits from the constant buying and selling of stocks by the investing public.

There are so many approaches to earn money. One of the best ways is to invest and gain profit from the Indian stock and Equity market.To invest in Stock/Equity market , you can learn how to make more money and for many people the additional income from the stock market is the major source of earnings.

Everyone knows that investing in Equity is risky. However, the risk taking power of investors vary. Some donâ€™t think twice before investing everything including the kitchen sink in equities. And yet there are the risk reluctant others who cannot stand losing even a single rupee of their capital.

For someone who is new to trading, penny stocks can often be a good trial run. Finding the right site to work with is important to your success, and being able to hone your skills in trading. Than We are really offering a unique chance for the new traders to trade without stress.

This tutorial allow you to guide yourself through how you should follow and target some goals before you do start trading with money.

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