

1-5 STOCK MARKET TICKER

OBJECTIVES

Understand stock market ticker information.

Determine the total value of a trade from ticker information.

Determine trade volumes from ticker information.

Key Terms

- **Dow Jones Industrial Average (DIJA)** - The most well-known system you can refer to track the performance of certain types of stocks.
- **ticker** - offers stock market transaction information in an easy read-and-interpret format
- **stock symbol or ticker symbol** - The letter or letters used to identify a corporation whose shares are traded on a stock market. Stocks that trade on the NYSE have 1-, 2-, or 3-letter symbols. Stocks that trade on the NASDAQ had only 4-letter symbols until recently when stocks that transferred to the NASDAQ from the NYSE were allowed to keep their symbols even if fewer than 4 letters.

Key Terms

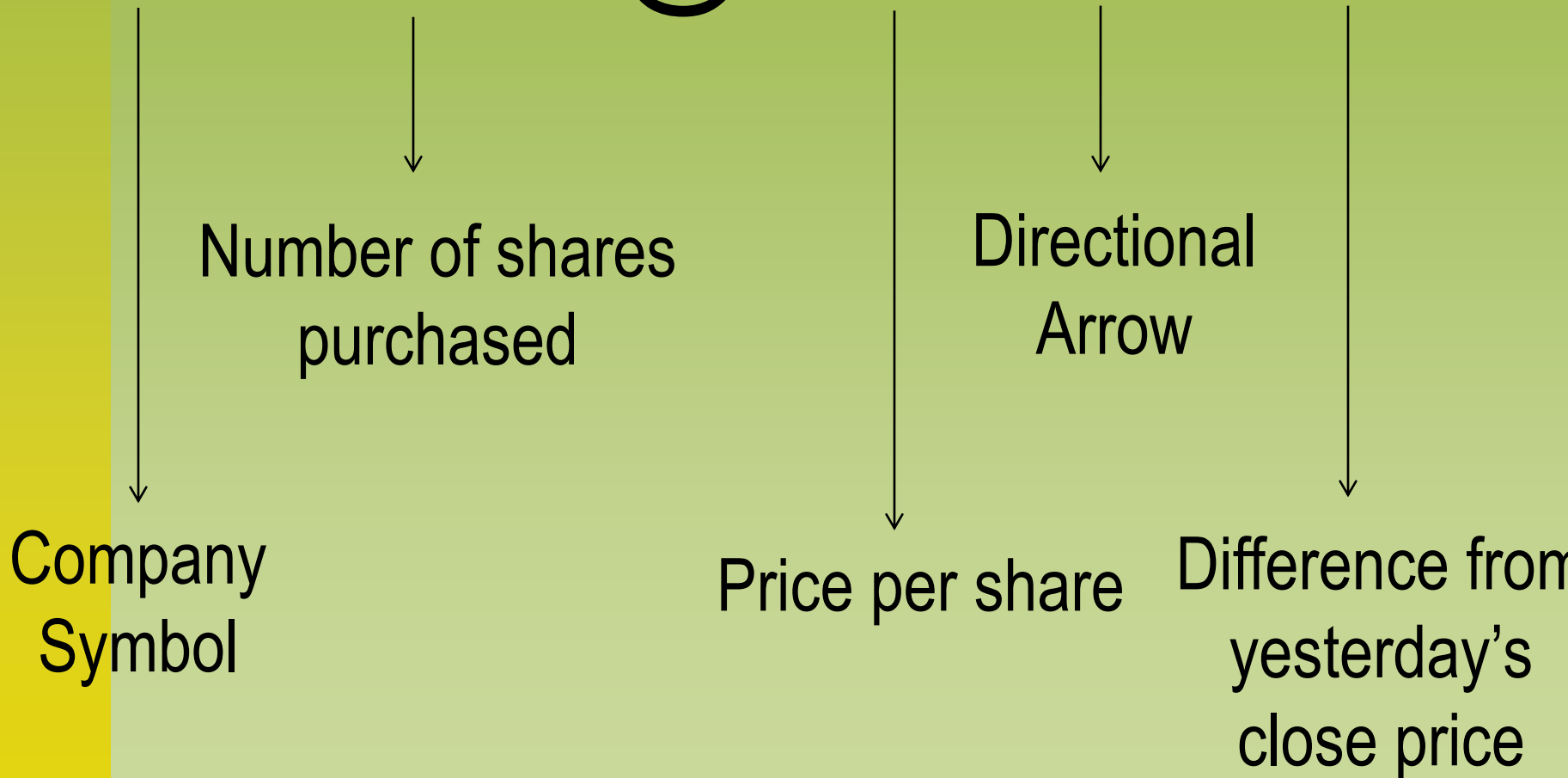
- **trading volume** - The number of shares traded in a single transaction. Trading volumes are listed on the ticker using a shorthand information system. For example, 10K indicates that 10,000 shares traded.
- **trading price** – (listed per share) May be displayed on the ticker preceded by the @ symbol, meaning that each share was traded at the specified price. The @ symbol is not always used.
- **directional arrow** - Indication whether the traded price of a single share is greater than the previous day's closing price (▲) or less than the previous day's closing price (▼).

Key Terms

- **total value of a trade** - Determined by multiplying the number of shares traded by the trading price. *This value does not include any fees.*
- **uptick** - A trade where the price is higher than the previous trade.
- **downtick** - A trade where the price is lower than the previous trade.
- **positive money flow** - When a stock is purchased at an uptick
- **negative money flow** - When a stock is purchased at a downstick.

Breaking down the ticker

HD 32.3M@29.13▲ 1.13



Example 1

Marcy is following the stock market ticker scrolling across the bottom of her TV screen on cable business station. She had purchased some shares of Visa, Inc. last week and is interested in seeing if there are any current trades. She knows that Visa, Inc. has the ticker symbol V. She saw the following information: V 12K@87.37 ▲ 0.12. List everything Marcy can learn from this line of symbols?

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Kevin knows that General Electric has the ticker symbol GE. List everything Kevin can learn from the following line of symbols: GE 12K@73.72 ▼ 0.55?

EXTEND YOUR UNDERSTANDING

Had the trading price of this transaction been at \$87.35, what number would have appeared after the directional arrow? Explain your answer.

Example 2

Tom needed money for graduate school tuition. He called his broker and asked her to sell all 3,000 of his Coca-Cola (KO) shares on Wednesday as soon as the trading price hit \$57 per share. Tom knew that Coca-Cola closed at \$57.25 on Tuesday. How will his trade appear on the ticker?

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What would be the previous day's close for a share of Coca-Cola if the ticker had read $KO\ 3K@57\ \blacktriangle\ 0.25$?

EXAMPLE 3

Toni purchased 15,000 shares of stock of Target Corporation at \$54.88 per share. Her trade appeared on the stock ticker as TGT 15K@54.88 ▼ 0.17. What was the total value of her trade?

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Suppose Toni made her purchase at the previous day's closing price. What would have been the difference between the values of the trades?

EXAMPLE 4

Grandpa Rich left his three grandchildren: Nicole, Jeff, and Kristen, 8,750 shares of Apple Inc (AAPL) in his will. The grandchildren sold all of the shares at a price of \$190.30 on Friday. The closing price of Apple on Thursday was \$187.83. How did this trade appear on the stock ticker?



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Express 0.15M shares traded using the K symbol.

EXAMPLE 5

Laura is interested in trades of Microsoft (MSFT). She has been following the upticks and downticks for the past two days. She knows that MSFT closed on Tuesday at \$20.68, with a high at \$21.25 and a low at \$20.50. There were 11,902,000 shares traded on that day. She found that Monday's closing price was \$21.23. The high was \$21.30 and the low was \$19.95. The volume for Monday was 16,537,000 shares. Was the net money flow from Monday to Tuesday positive or negative?