A long position is buying a stock or any other security in anticipation that its price will rise. The bullish investor, also called an optimist, is long. The bearish investor, also called a pessimist, is short. The overall objective is to buy the stock at a low price and sell it for more than you paid. The difference represents your profit.

The market is also known as the stock market or the exchange. Market trends are the upward (bull) or downward (bear) patterns of the stock market over a period of time. It is a general decline in stock prices. A bear market, one generally agreed-upon definition of a bear market, is a period of at least a two-month period. A typical bear market lasts 1.3 years, with average annual declines ranging from -19.7% to -47%. This equals an average total return of -41% per bear market period!*

A typical bull market lasts 8.5 years, with average total returns of 458%.

**PLAYING THE MARKET**

**PROFITING IN BULL MARKETS**

- Buy more stocks.
- The economy is booming!
- Stock prices are rising.

**PROFITING IN BEAR MARKETS**

- The market value just keeps falling!
- Everything is in decline!
- It's the end!
- The market is in a recession!

**PREDICTING THE FUTURE IS NOT EASY!**

- Markets are unpredictable!
- Everyone is looking at key indicators. Even experts aren't always able to
  predict the next bull and bear markets.

**INVESTING CAN BE RISKY!**

- Commodity futures carry the risk of losing money, even when made through a financial advisor or financial institution.
- Futures and options are derivatives of stocks, bonds, or commodities and are used to deliver future performance.

**MARKET TRENDS**

- Exchange-Traded Funds (ETFs) trade like stocks, and are used to deliver future performance for a variety of indexes. Each ETF seeks to replicate the movement of its index. ETFs carry the risk of losing money, even when made through a financial advisor or financial institution.

The bearish investor, also called a pessimist, is short. A short position, also called short selling, is taking a short position in a security, such as a stock or futures contract. When you sell short, you are borrowing shares and selling them today. The proceeds are called proceeds at risk. The money you pay for the borrowed shares is the short sale margin.

If the stock rises, you must buy it back at a higher price, and the money you paid must cover the higher price. If the stock falls, you can cash in your profit. Take the money and run! The proceeds at risk are the short sale margin.

**THE BULLISH INVESTOR**

- Stocks are rising!
- People are buying.
- The economy is booming!
- Everything is great!
- The feeling of euphoria is widespread.
- The market has been rising for months.
- The feeling of euphoria often leads to investments in the future, called the expiration date.
- The money you pay for a put option is called a strike price until a certain date in the future, called the expiration date.
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