****Bear Market

* A **bear market** is a prolonged period of falling stock prices and a general feeling of investor pessimism.
* A bear market develops when investors become negative about the overall economy and start to sell stock.
	+ Fewer jobs available and unemployment rates are up
	+ Recession may be looming
	+ Gross domestic product is down



Bull Market

* A **bull market** is a prolonged period of rising stock prices and a general feeling of investor optimism.
	+ “Charge ahead!”
	+ Unemployment rates are down
	+ The economy is healthy
	+ Gross domestic product is up

Blue Chip Stocks

* **Blue chip** stock are stocks of large, well established corporations with a solid record of profitability.
	+ EX. Coke, Apple, IBM. Conservative, low risk.

Penny Stock

* **Penny stock** are stocks of young, usually small companies.
	+ These tend to be higher risk stocks since they have no record or history.