



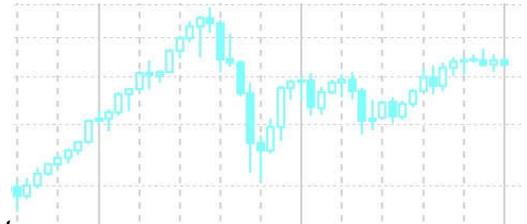
Stock Liquidity



Share Market
Toolbox

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"The share market can seem mystical and almost like black magic; but with the right support and assistance, it just seems like magic."

Robert Brain



Introduction

Stock liquidity

Let's assume:

- We want to be able to buy, and sell, a parcel of shares, with no fuss, and without influencing the share price; and
- When it comes time to sell our shares, we want to be able to **sell quickly** (ie. there needs to be buyers ready in the market).





Here's a thought or two ...

- 1) Are we interested in trading/investing in ANY, or ALL, listed ASX *stocks**?
(ignoring overseas stocks)
If so, should we focus on just some, or all of them as possible candidates?
- 2) Is there a maximum *position/parcel size* of which to be mindful?
Or can we buy as many shares as we can afford?

* – “stocks” here refers loosely to all ASX listed securities, equities, ETFs, etc.



Session objective

- Consider the issues with *stock liquidity*
- On the ASX, many stocks are NOT “liquid”?!
- How to define *liquidity*?
- Study:
 - The daily turnover – *volume*, and *value*
 - The number of *trades* each day.





Session objective

This session may help you with:

- Sound risk management, and
- Help with key criteria for stock selection (a *stock universe*), and
- Might help with parcel/position size.

This will be an interactive session with your frequent input...



Important Notice — No Advice!

- This presentation does not include any advice.
- For proper advice, your personal financial situation needs to be considered.
- This presentation is pure education, only for your general awareness.
- There are no recommendations to take any action, or to invest any money in any way.
- Always consult a properly licensed advisor before making investment decisions.

