

Advanced Trading Techniques

Abandonment refers to the act of a trader closing a position without taking any further action, often due to a lack of confidence in the trade or the market conditions, this can be related to stop loss and risk management.

Acceleration is a term used to describe the rate of change of an object's velocity, in the context of trading it can refer to the speed at which a price is moving, related to momentum and trend analysis.

Accumulation is a term used to describe the process of buying a security or asset over a period of time, often in anticipation of a future price increase, related to support levels and resistance levels.

Active trading is a type of trading strategy that involves frequently buying and selling securities or assets in an attempt to profit from short-term price movements, related to day trading and swing trading.

Algorithmic trading is a type of trading that uses computer programs to automatically execute trades based on predefined rules and criteria, related to high frequency trading and quantitative trading.

Alpha is a term used to describe the excess return of a security or portfolio over a benchmark or index, related to beta and risk adjusted return.

Arbitrage is a trading strategy that involves taking advantage of price differences between two or more markets, related to market inefficiency and risk free profit.

Ask is the price at which a seller is willing to sell a security or asset, related to bid and spread.

Asset allocation is the process of dividing a portfolio among different asset classes, such as stocks, bonds, and commodities, in order to manage risk and achieve investment objectives, related to diversification and portfolio optimization.

At the money is a term used to describe an option that has a strike price equal to the current market price of the underlying asset, related to in the money and out of the money.

Averaging down is a trading strategy that involves buying more of a security or asset as its price falls, in an attempt to reduce the average cost per unit, related to dollar cost averaging and position sizing.

Bandwidth is a term used to describe the range of frequencies or prices that a trader is willing to trade within, related to support levels and resistance levels.

Basis is the difference between the spot price and the futures price of a security or asset, related to contango and backwardation.

Bear market is a term used to describe a market that is experiencing a prolonged period of decline, related to bull market and market trend.

Beta is a measure of the systematic risk or volatility of a security or portfolio, related to alpha and standard deviation.

Bid is the price at which a buyer is willing to buy a security or asset, related to ask and spread.

Binary option is a type of option that pays out a fixed amount if the underlying asset meets a certain condition, related to call option and put option.

Block trade is a large trade that is executed as a single transaction, related to institutional trading and market impact.

Bollinger bands are a technical indicator that consists of a moving average and two standard deviations plotted above and below it, related to volatility and trend analysis.

Breakout is a term used to describe a price movement that exceeds a previous high or low, related to support levels and resistance levels.

Broker is an intermediary that facilitates the buying and selling of securities or assets between traders, related to market maker and exchange.

Bull market is a term used to describe a market that is experiencing a prolonged period of increase, related to bear market and market trend.

Butterfly spread is a type of options strategy that involves buying and selling options with different strike prices, related to iron condor and calendar spread.

Calendar spread is a type of options strategy that involves buying and selling options with different expiration dates, related to butterfly spread and iron condor.

Call option is a type of option that gives the holder the right to buy an underlying asset at a specified price, related to put option and strike price.

Candlestick chart is a type of chart that uses candlestick patterns to display price movements, related to line chart and bar chart.

Capital gains tax is a tax on the profit made from selling a security or asset, related to tax loss harvesting and tax efficiency.

Carry trade is a type of trade that involves borrowing in a low-yielding currency and lending in a high-yielding currency, related to interest rate differential and currency risk.

Cash flow is the amount of money that a security or asset generates over a period of time, related to income statement and balance sheet.

Chart pattern is a term used to describe a pattern that appears on a chart, related to technical analysis and trend analysis.

Clearing house is an intermediary that facilitates the settlement of trades between buyers and sellers, related to exchange and broker.

Collar is a type of options strategy that involves buying a call option and selling a put option, related to covered call and protective put.

Commodity is a type of asset that is interchangeable with other assets of the same type, related to spot price and futures price.

Confirmation is a term used to describe the process of verifying the accuracy of a trade or market data, related to validation and verification.

Contango is a term used to describe a market where the futures price is higher than the spot price, related to backwardation and basis.

Contract for difference is a type of derivative that allows traders to bet on the price movement of a security or asset, related to leverage and margin.

Convexity is a term used to describe the rate of change of the price of a security or asset with respect to

time, related to duration and yield.

Cost of carry is the cost of holding a security or asset over a period of time, related to financing cost and storage cost.

Covered call is a type of options strategy that involves selling a call option on a security or asset that is already owned, related to protective put and collar.

Credit default swap is a type of derivative that allows traders to bet on the creditworthiness of a borrower, related to counterparty risk and default risk.

Currency risk is the risk that a change in the exchange rate will affect the value of a security or asset, related to exchange rate and foreign exchange.

Day trading is a type of trading strategy that involves buying and selling securities or assets within a single trading day, related to swing trading and position trading.

Debit spread is a type of options strategy that involves buying and selling options with different strike prices, related to credit spread and iron condor.

Decay is a term used to describe the loss of value of an option over time, related to time decay and volatility.

Delta is a term used to describe the rate of change of the price of an option with respect to the price of the underlying asset, related to gamma and theta.

Derivative is a type of security or asset that derives its value from an underlying asset or index, related to option and futures contract.

Diversification is the process of dividing a portfolio among different asset classes, in order to manage risk and achieve investment objectives, related to asset allocation and portfolio optimization.

Dollar cost averaging is a type of trading strategy that involves buying a fixed amount of a security or asset at regular intervals, regardless of the price, related to averaging down and position sizing.

Donchian channel is a type of technical indicator that consists of a moving average and two standard deviations plotted above and below it, related to volatility and trend analysis.

Dual listing is the practice of listing a security or asset on two or more exchanges, related to cross listing and exchange.

Duration is a term used to describe the sensitivity of the price of a security or asset to changes in the interest rate, related to convexity and yield.

Elliott wave theory is a type of technical analysis that involves identifying patterns in price movements, related to chart pattern and trend analysis.

Equity is the value of a security or asset minus any debt or liabilities, related to net worth and balance sheet.

Exchange is a platform that facilitates the buying and selling of securities or assets, related to broker and market maker.

Exercise is the process of buying or selling the underlying asset of an option, related to expiration and strike price.

Expiration is the date on which an option or futures contract expires, related to exercise and time decay.

Extrapolation is the process of estimating future values based on past data, related to interpolation and forecasting.

Fibonacci retracement is a type of technical indicator that involves identifying levels of support and resistance, related to trend analysis and chart pattern.

Financing cost is the cost of borrowing money to buy a security or asset, related to cost of carry and leverage.

Futures contract is a type of derivative that obligates the buyer to buy the underlying asset at a specified price, related to option and forward contract.

Gamma is a term used to describe the rate of change of the delta of an option with respect to the price of the underlying asset, related to delta and theta.

Gap is a term used to describe a price movement that exceeds a previous high or low, related to breakout and chart pattern.

Hedge is a type of trade that is used to reduce the risk of a portfolio or position, related to insurance and risk management.

Hedging is the process of reducing the risk of a portfolio or position by taking a trade that offsets the risk, related to hedge and arbitrage.

High frequency trading is a type of trading strategy that involves executing trades at very high speeds, related to algorithmic trading and quantitative trading.

Implied volatility is a term used to describe the expected volatility of a security or asset, related to historical volatility and volatility smile.

Index is a benchmark that measures the performance of a group of securities or assets, related to benchmark and portfolio optimization.

In the money is a term used to describe an option that has a strike price that is favorable to the holder, related to out of the money and at the money.

Inflation is the rate at which the general price level of goods and services is increasing, related to deflation and monetary policy.

Initial margin is the amount of money that a trader must deposit to open a position, related to variation margin and leverage.

Intermarket analysis is the process of analyzing the relationships between different markets, related to technical analysis and fundamental analysis.

Interest rate is the rate at which interest is paid on a loan or investment, related to yield and cost of capital.

Interpolation is the process of estimating values within a range of data, related to extrapolation and forecasting.

Intrinsic value is the value of a security or asset based on its underlying fundamentals, related to market value and fair value.

Iron condor is a type of options strategy that involves buying and selling options with different strike prices, related to butterfly spread and calendar spread.

Kelly criterion is a term used to describe the optimal fraction of a portfolio to allocate to a trade, related to risk management and position sizing.

Lag is a term used to describe the delay between a signal and the response, related to lead and feedback loop.

Leverage is the use of debt to increase the potential return on an investment, related to financing cost and margin.

Limit order is a type of order that specifies a price at which to buy or sell a security or asset, related to market order and stop order.

Line chart is a type of chart that displays the price movement of a security or asset over time, related to candlestick chart and bar chart.

Liquidation is the process of selling a security or asset to meet a margin call, related to margin and default.

Liquidity is the ability to buy or sell a security or asset quickly and at a fair price, related to market depth and order book.

Long is a term used to describe a position that is betting on the price of a security or asset to increase, related to short and neutral.

Long short strategy is a type of trading strategy that involves taking long and short positions in different securities or assets, related to market neutral and absolute return.

MACD is a type of technical indicator that involves plotting the difference between two moving averages, related to trend analysis and momentum.

Margin is the amount of money that a trader must deposit to open a position, related to initial margin and variation margin.

Market capitalization is the total value of all outstanding shares of a company, related to enterprise value and market value.

Market maker is an intermediary that provides liquidity to a market by buying and selling securities or assets, related to broker and exchange.

Market order is a type of order that specifies that a trade should be executed at the current market price, related to limit order and stop order.

Market risk is the risk that a change in the market price of a security or asset will affect the value of a portfolio or position, related to credit risk and liquidity risk.

Microstructure is the study of the behavior of market participants and the structure of markets, related to market microstructure and order flow.

Momentum is a term used to describe the rate of change of the price of a security or asset, related to trend analysis and relative strength.

Money management is the process of managing the risk of a portfolio or position, related to position sizing and stop loss.

Moving average is a type of technical indicator that involves plotting the average price of a security or asset over a period of time, related to trend analysis and momentum.

Net worth is the total value of a company or individual's assets minus any debt or liabilities, related to equity and balance sheet.

Neutral is a term used to describe a position that is not betting on the price of a security or asset to increase or decrease, related to long and short.

News event is a term used to describe an event that affects the price of a security or asset, related to market reaction and event study.

No-arbitrage is a term used to describe a condition in which there are no risk-free profits to be made in a market, related to arbitrage and market efficiency.

Normal distribution is a type of probability distribution that is commonly used to model the behavior of financial markets, related to standard deviation and variance.

Offer is the price at which a seller is willing to sell a security or asset, related to bid and spread.

Open interest is the total number of outstanding contracts in a market, related to trading volume and market depth.

Option is a type of derivative that gives the holder the right to buy or sell an underlying asset at a specified price, related to futures contract and forward contract.

Order book is a list of all the buy and sell orders in a market, related to market depth and liquidity.

Order flow is the process of executing trades in a market, related to market microstructure and trading volume.

Out of the money is a term used to describe an option that has a strike price that is unfavorable to the holder, related to in the money and at the money.

Overbought is a term used to describe a security or asset that has been bought too much, related to oversold and trend analysis.

Oversold is a term used to describe a security or asset that has been sold too much, related to overbought and trend analysis.

Pair trading is a type of trading strategy that involves taking long and short positions in two different securities or assets, related to market neutral and absolute return.

Par value is the face value of a security or asset, related to market value and intrinsic value.

Pattern recognition is the process of identifying patterns in data, related to technical analysis and trend analysis.

Payout ratio is the percentage of earnings that a company pays out as dividends, related to dividend yield and retention ratio.

Pegging is the practice of fixing the price of a security or asset to a benchmark or index, related to currency peg and exchange rate.

Penny stock is a type of stock that trades at a low price, typically below \$1, related to microcap and small cap.

Piotroski score is a type of scoring system that evaluates the financial health of a company, related to fundamental analysis and value investing.

Portfolio optimization is the process of optimizing the performance of a portfolio, related to asset allocation and risk management.

Position sizing is the process of determining the size of a trade, related to money management and risk management.

Premature optimization is the practice of optimizing a trading strategy before it has been fully tested, related to overfitting and curve fitting.

Price discovery is the process of determining the price of a security or asset, related to market efficiency and arbitrage.

Private placement is a type of financing in which a company issues securities to a small group of investors, related to public offering and venture capital.

Probability distribution is a type of statistical distribution that models the behavior of a random variable, related to normal distribution and standard deviation.

Profit taking is the practice of selling a security or asset to lock in a profit, related to stop loss and money management.

Program trading is a type of trading that involves using computer programs to execute trades, related to algorithmic trading and quantitative trading.

Protective put is a type of options strategy that involves buying a put option to protect against a potential loss, related to covered call and collar.

Proxy is a type of voting right that allows a shareholder to vote on behalf of another shareholder, related to shareholder rights and corporate governance.

Purchasing power parity is a theory that states that the exchange rate between two currencies is determined by the ratio of the prices of a basket of goods in each country, related to exchange rate and foreign exchange.

Put option is a type of option that gives the holder the right to sell an underlying asset at a specified price, related to call option and strike price.

Quantitative trading is a type of trading that involves using mathematical models to make trading decisions, related to algorithmic trading and high frequency trading.

Quartile is a type of statistical measure that divides a dataset into four equal parts, related to percentile and median.

Random walk is a type of statistical model that assumes that the price of a security or asset follows a random and unpredictable path, related to efficient market hypothesis and market efficiency.

Range trading is a type of trading strategy that involves buying and selling a security or asset within a specific price range, related to support levels and resistance levels.

Rate of return is the return on an investment over a period of time, related to yield and cost of capital.

Ratio analysis is a type of financial analysis that involves comparing the ratios of different financial metrics, related to fundamental analysis and value investing.

Realized volatility is a term used to describe the actual volatility of a security or asset over a period of time, related to implied volatility and historical volatility.

Regulatory arbitrage is the practice of taking advantage of differences in regulatory requirements between different markets or jurisdictions, related to tax arbitrage and market inefficiency.

Relative strength is a term used to describe the performance of a security or asset relative to a benchmark or index, related to trend analysis and momentum.

Renko chart is a type of chart that displays the price movement of a security or asset as a series of bricks or boxes, related to candlestick chart and line chart.

Resistance level is a term used to describe a price level at which a security or asset has historically had difficulty rising above, related to support level and trend analysis.

Return on equity is a measure of the profitability of a company, related to return on assets and return on

investment.

Reversal is a term used to describe a change in the direction of the price of a security or asset, related to trend analysis and momentum.

Reward to risk is a term used to describe the ratio of the potential reward of a trade to the potential risk, related to risk reward ratio and position sizing.

Risk adjusted return is a term used to describe the return on an investment adjusted for the level of risk taken, related to alpha and beta.

Risk management is the process of managing the risk of a portfolio or position, related to money management and position sizing.

Risk parity is a type of portfolio optimization that involves allocating risk equally across different asset classes, related to asset allocation and portfolio optimization.

Risk premium is the excess return demanded by investors for holding a risky security or asset, related to risk free rate and expected return.

Scalping is a type of trading strategy that involves making a large number of small trades in a short period of time, related to day trading and high frequency trading.

Seasonality is a term used to describe the tendency of a security or asset to perform better or worse at certain times of the year, related to calendar effect and market anomaly.

Securitization is the process of packaging and selling securities that are backed by a pool of assets, related to asset backed security and mortgage backed security.

Sell signal is a term used to describe a signal that indicates it is time to sell a security or asset, related to buy signal and trend analysis.

Settlement is the process of exchanging cash or securities to settle a trade, related to clearing and exchange.

Sharpe ratio is a measure of the excess return of a portfolio over the risk-free rate, related to sortino ratio and information ratio.

Short is a term used to describe a position that is betting on the price of a security or asset to decrease, related to long and neutral.

Short interest is the total number of shares that have been sold short, related to short selling and short squeeze.

Short selling is the practice of selling a security or asset that is not owned, related to long selling and short interest.

Side pocket is a type of investment vehicle that allows investors to invest in a specific asset or strategy, related to hedge fund and private equity.

Signal line is a term used to describe a line on a chart that is used to generate buy and sell signals, related to moving average and trend analysis.

Size effect is a term used to describe the tendency of small-cap stocks to outperform large-cap stocks, related to value effect and market anomaly.

Slippage is the difference between the expected price of a trade and the actual price, related to market impact and trading cost.

Sorting ratio is a measure of the excess return of a portfolio over the risk-free rate, related to sharpe ratio and information ratio.

Speculation is the practice of taking a position in a security or asset in the hopes of making a profit, related to investment and gambling.

Spot price is the current market price of a security or asset, related to futures price and forward price.

Spread is the difference between the bid and ask prices of a security or asset, related to bid ask spread and liquidity.

Standard deviation is a measure of the volatility of a security or asset, related to variance and normal distribution.

Statistical arbitrage is a type of trading strategy that involves using statistical models to identify mispricings in the market, related to market making and high frequency trading.

Stock split is a corporate action in which a company increases the number of shares outstanding, related to reverse stock split and share buyback.

Stop loss is a type of order that is used to limit the potential loss of a trade, related to take profit and position sizing.

Stop order is a type of order that becomes a market order when a certain price is reached, related to limit order and market order.

Straddle is a type of options strategy that involves buying a call option and a put option with the same strike price, related to strangle and iron condor.

Strangle is a type of options strategy that involves buying a call option and a put option with different strike prices, related to straddle and iron condor.

Strike price is the price at which an option can be exercised, related to expiration date and underlying asset.

Support level is a term used to describe a price level at which a security or asset has historically found support, related to resistance level and trend analysis.

Swap is a type of derivative that involves exchanging one asset or cash flow for another, related to forward contract and option.

Swing trading is a type of trading strategy that involves holding a position for a short period of time, typically less than a week, related to day trading and position trading.

Synthetic position is a type of position that is created using options or other derivatives, related to long position and short position.

Systematic risk is a term used to describe the risk that is inherent in the market as a whole, related to idiosyncratic risk and beta.

Tail risk is a term used to describe the risk of extreme losses, related to value at risk and expected shortfall.

Take profit is a type of order that is used to lock in a profit, related to stop loss and position sizing.

Tax efficiency is the practice of managing a portfolio to minimize tax liabilities, related to tax loss harvesting and capital gains tax.

Tax loss harvesting is the practice of selling securities or assets that have declined in value to realize a loss and offset gains, related to capital gains tax and tax efficiency.

Technical analysis is the process of analyzing charts and other data to predict future price movements,

related to fundamental analysis and quantitative analysis.

Term structure is a term used to describe the relationship between the price of a security or asset and its time to maturity, related to yield curve and interest rate.

Theta is a term used to describe the rate of change of the price of an option with respect to time, related to delta and gamma.

Time decay is a term used to describe the loss of value of an option over time, related to theta and volatility.

Time series analysis is the process of analyzing data that is ordered in time, related to technical analysis and quantitative analysis.

Trade date is the date on which a trade is executed, related to settlement date and clearing.

Trade finance is the practice of financing international trade, related to export finance and import finance.

Trading volume is the number of shares or contracts that are traded over a given period of time, related to market depth and liquidity.

Transaction cost is the cost of buying or selling a security or asset, related to bid ask spread and slippage.

Trend analysis is the process of analyzing the direction and strength of a trend, related to technical analysis and chart pattern.

Trend following is a type of trading strategy that involves following the direction of a trend, related to momentum trading and breakout trading.

Underlying asset is the security or asset that an option or other derivative is based on, related to strike price and expiration date.

Unsystematic risk is a term used to describe the risk that is specific to a particular security or asset, related to systematic risk and idiosyncratic risk.

Value at risk is a measure of the potential loss of a portfolio over a given period of time, related to expected shortfall and tail risk.

Value investing is a type of investment strategy that involves buying securities or assets that are undervalued, related to growth investing and income investing.

Variation margin is the amount of money that a trader must deposit to cover potential losses, related to initial margin and margin call.

Vega is a term used to describe the rate of change of the price of an option with respect to the volatility of the underlying asset, related to delta and gamma.

VIX is a type of volatility index that is used to measure the expected volatility of the S&P 500, related to implied volatility and historical volatility.

Volatility is a measure of the uncertainty or risk of a security or asset, related to standard deviation and variance.

Volatility smile is a term used to describe the shape of the implied volatility curve, related to implied volatility and volatility surface.

Volatility surface is a term used to describe the three-dimensional surface of implied volatility, related to volatility smile and volatility term structure.

Volume weighted average price is a type of benchmark that is used to measure the average price of a security or asset, related to time weighted average price and market value.

Warrant is a type of security that gives the holder the right to buy a security or asset at a specified price, related to option and call option.

Weighted average cost of capital is a measure of the average cost of capital of a company, related to cost of equity and cost of debt.

White noise is a type of random process that is used to model the behavior of financial markets, related to random walk and efficient market hypothesis.

Yield is the return on an investment over a period of time, related to interest rate