



Financial English

– Conversation –

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Stock Investment 4



Steve: How's Smartec today?

Judy: It is not good. The share price closed down NT\$5.





Steve: Did it touch the downward price limit?

Judy: Almost.





Steve: That's too bad. What happened? Was there any negative news?

Judy: Yep, there certainly was.

**The company just posted its Q2 earnings today,
which decreased by 50% on a year-on-year basis.**





Steve: How come?

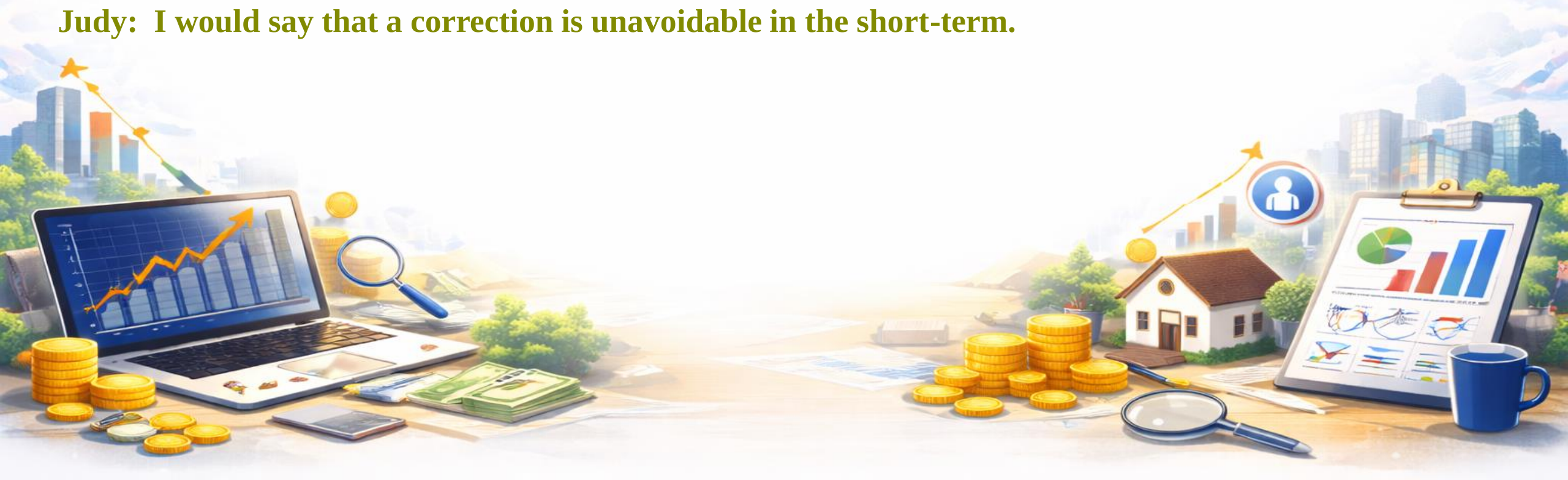
Judy: According to newspapers, its sales declined significantly.





Steve: So how do you forecast the stock's future trend?

Judy: I would say that a correction is unavoidable in the short-term.

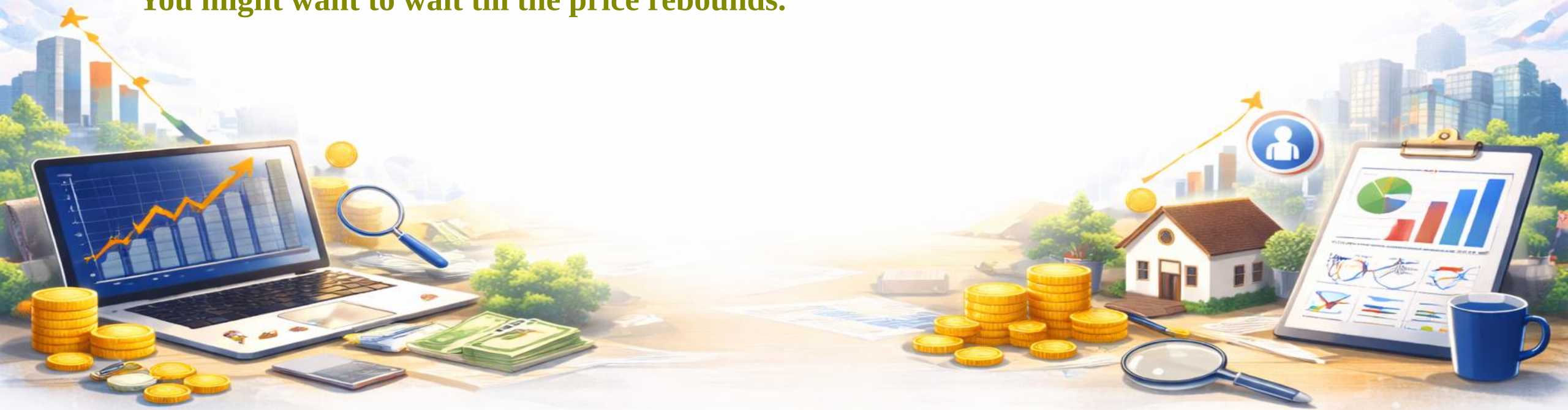




Steve: Do I need to sell my position right away?

Judy: I don't think there is any rush.

You might want to wait till the price rebounds.





Steve: Thanks for your advice, Judy.

I will closely monitor the share price over the next few days.

Judy: Good luck, Steve.



Market Trend Terms

Key stock market movements and common thresholds



Bull Market

A prolonged upward trend.
Usually defined as a rise of
20% or more from a recent low.

+20% or more



Bear Market

A prolonged downward trend.
Usually defined as a fall of
20% or more from a recent high.

-20% or more



Rally

A strong upward move or
rebound in prices, often
occurring over a shorter period.



Can happen within either
a bull or bear market.



Correction

A pullback in prices, commonly
a decline of about 10% to 20%
from a recent high.

About -10% to -20%



Common rule of thumb: Bull and bear markets are often separated by the 20% threshold.

台灣股市 | 漲停板與跌停板

一般股票每日漲跌幅限制：以前一交易日收盤價為基準，上下 **10%**



漲停板

當日股價上漲達到法定上限

前一日收盤價 $\times 110\%$

+10%

例：前一日收盤價 100 元

漲停價 = 110 元

✓ 代表當日可成交的**最高價格**



跌停板

當日股價下跌達到法定下限

前一日收盤價 $\times 90\%$

-10%

例：前一日收盤價 100 元

跌停價 = 90 元

✓ 代表當日可成交的**最低價格**



重點：台灣股市一般股票每日漲跌幅限制為 **10%**

華爾街周邊地圖

— Wall Street Area Map —

圖例 Legend



必訪重點地標
Must-See Highlights



重要地標
Key Landmarks



公園 / 綠地
Parks / Green Spaces



地鐵站
Subway Station



渡輪站
Ferry Terminal



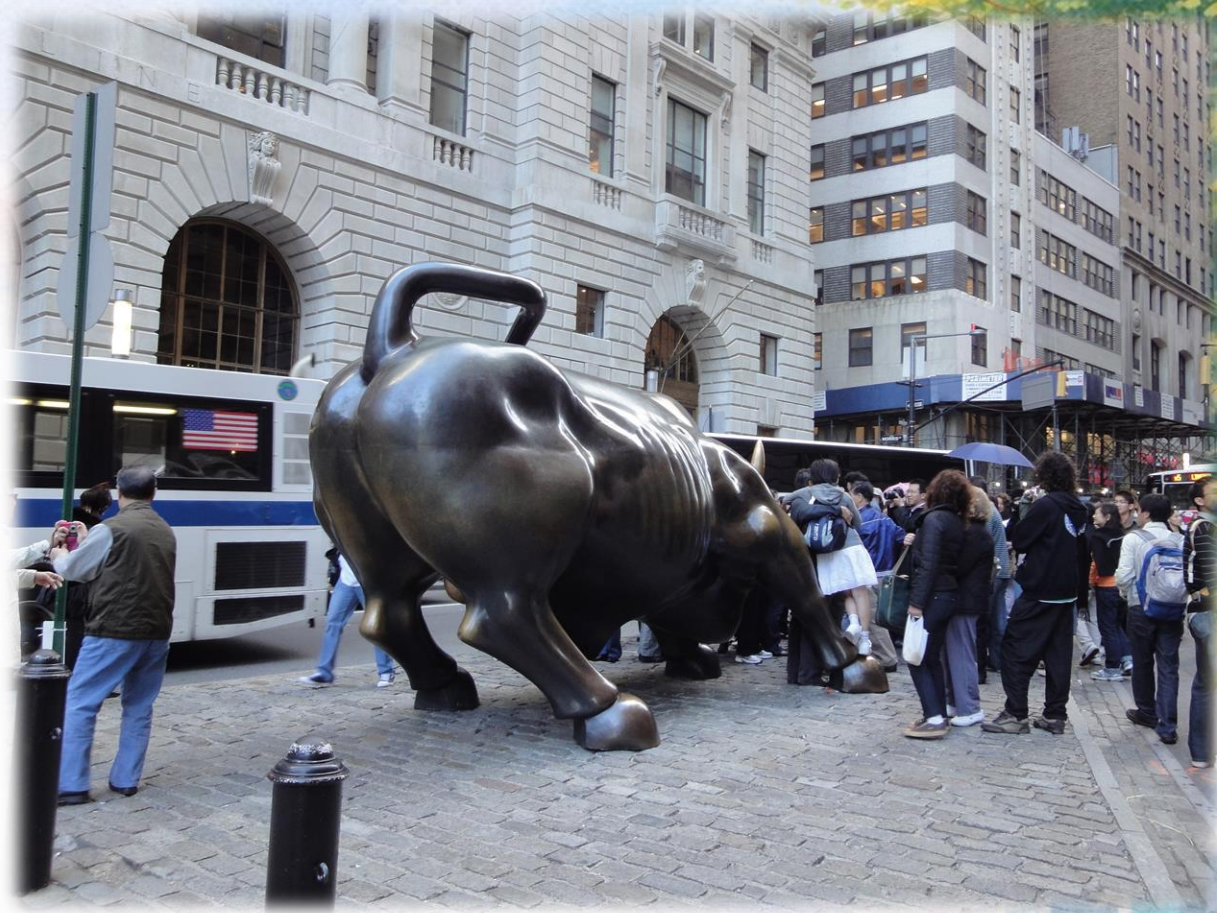
哈德遜河
Hudson River

東河
East River

0 125 250 375 500 m

Approx. Scale 約略比例尺





Example sentences

1. downward price limit

I can't believe that McTech touched another downward price limit today!

2. decrease

(1) My interest in this product is decreased.

(2) The earnings decreased by 30% compared with last quarter.

Example sentences

3. year-on-year

Their share price has increased by 80% on a year-on-year basis.

4. trend

Courier mail of organic food has become a new trend in the food market.

Example sentences



5. position (holdings)

I might sell my position today.

6. rebound

The securities analyst predicts that the stock price might rebound today.



Example sentences



7. upward price limit

Congratulations! You've hit another upward price limit!

8. turnover

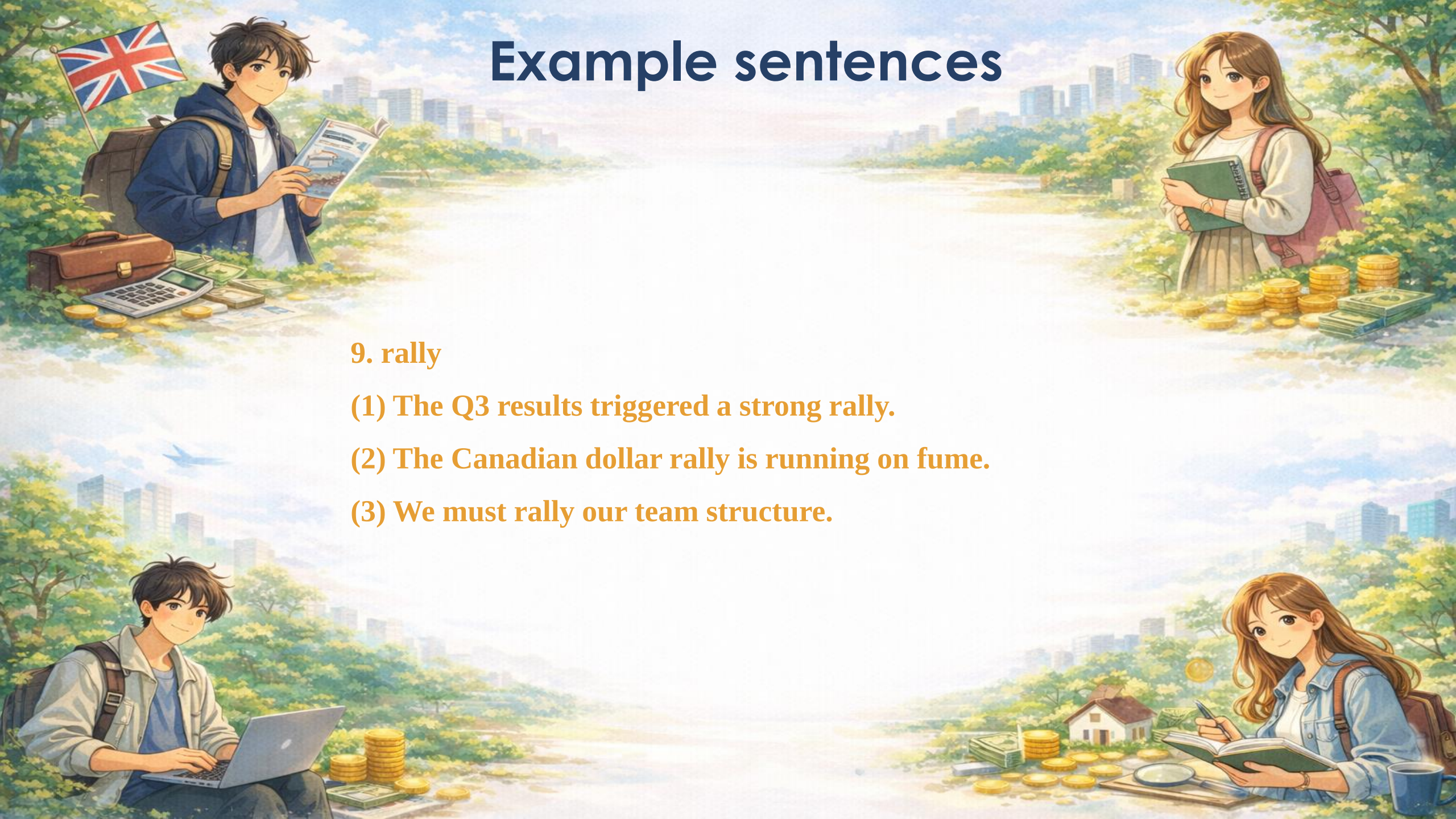
The turnover today was as large as US\$ 13.2 billion.



Example sentences

9. rally

- (1) The Q3 results triggered a strong rally.
- (2) The Canadian dollar rally is running on fume.
- (3) We must rally our team structure.



Example sentences



10. plunge (slump)

(1) Real estate business is plunging due to the subprime mortgage incident.

(2) McTech's shares took a plunge today.

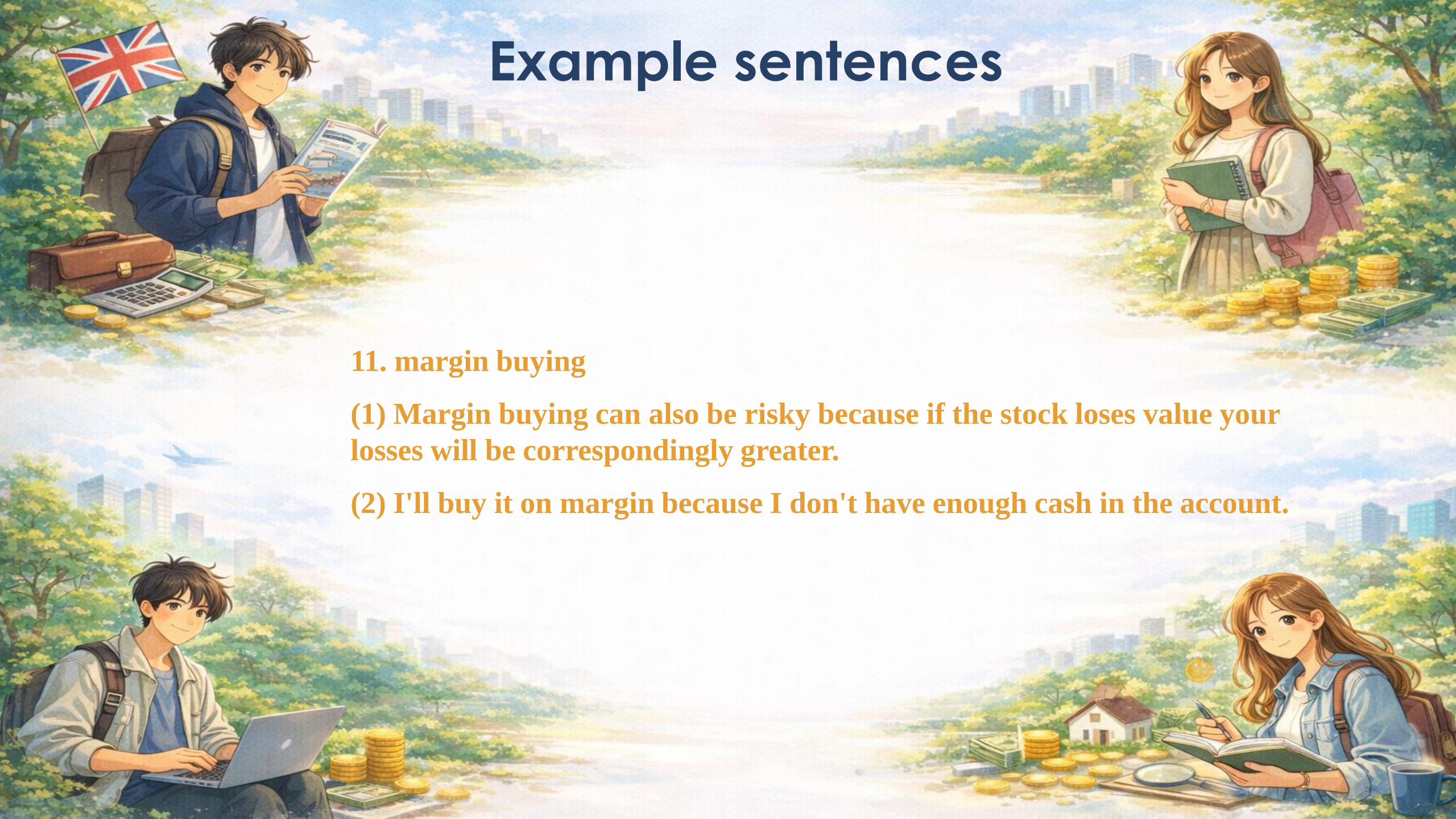


Example sentences

11. margin buying

(1) Margin buying can also be risky because if the stock loses value your losses will be correspondingly greater.

(2) I'll buy it on margin because I don't have enough cash in the account.



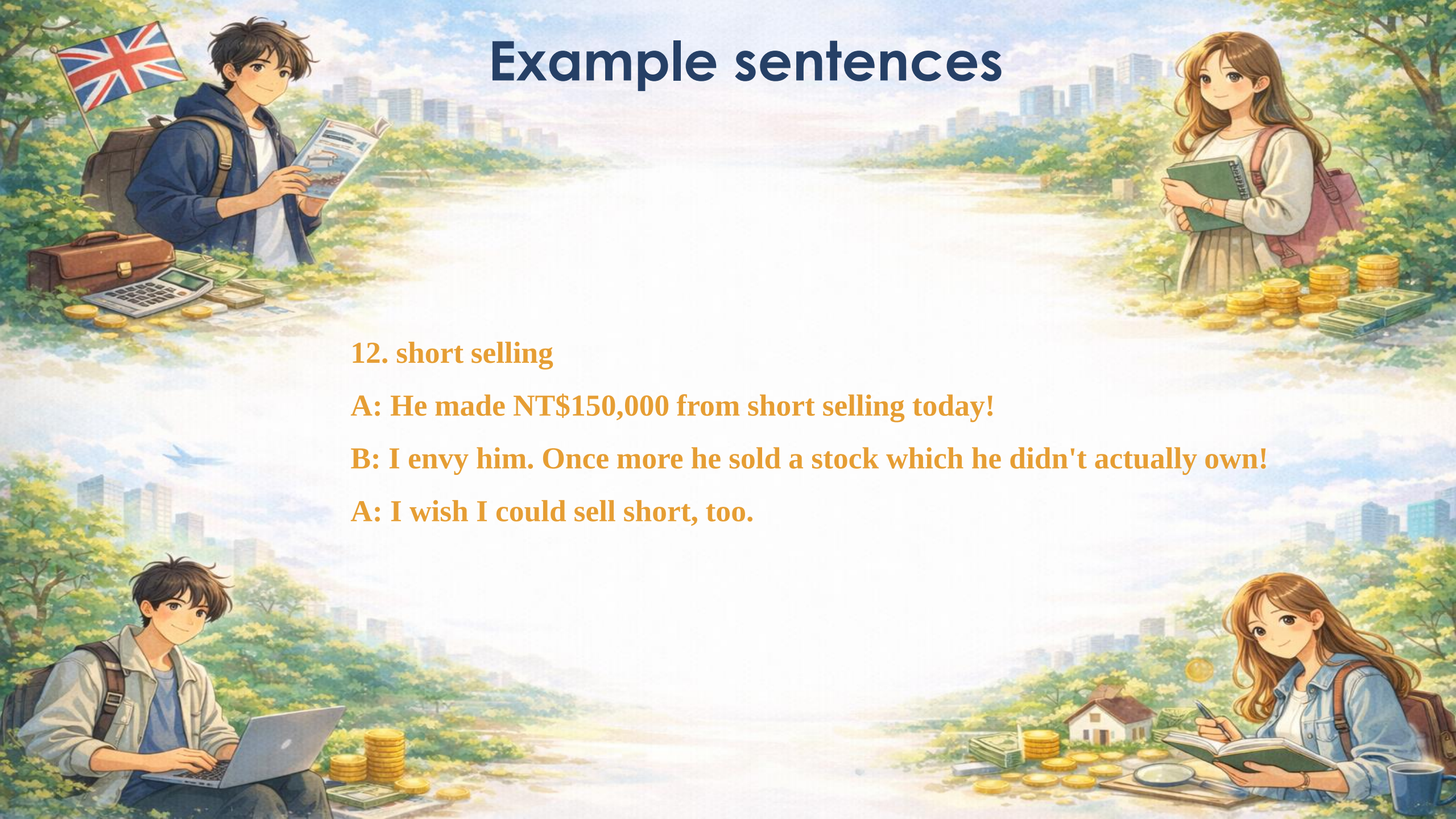
Example sentences

12. short selling

A: He made NT\$150,000 from short selling today!

B: I envy him. Once more he sold a stock which he didn't actually own!

A: I wish I could sell short, too.



Example sentences

13. sector

Which sector are you most interested in? The semiconductor sector, construction sector, or the financial sector?

14. sector rotation

- (1) Sector rotation is a very powerful stock trading pattern.
- (2) Today sector rotation pushed the TAIEX to a new record high!

Stocks and You



Key Vocabulary



1. downward price limit

2. negative news

3. post

4. earnings

5. decrease

6. year-on-year

7. decline

8. significantly



Key Vocabulary



- 9. correction
- 10. unavoidable
- 11. sector
- 12. trend
- 13. short-term (long-term)
- 14. position
- 15. rebound
- 16. monitor



Supplementary Vocabulary



1. upward price limit
2. positive news
3. turnover (volume)
4. EPS (earnings per share)
5. rally (correction)
6. rise
7. fall (drop slide)



Supplementary Vocabulary



8. plunge (slump)

9. skyrocket

10. hit the lowest level (hit record low)

11. margin buying

12. sector (industry)

13. short selling

14. technology sector



Supplementary Vocabulary



15. financial sector

16. construction sector

17. manufacturing sector

18. semiconductor sector (chip sector)

19. sector rotation

20. Securities and Exchange Commission (SEC)



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- | | |
|-------------|------------------------------|
| • 反彈 | • earnings |
| • 趨勢 | • touch downward price limit |
| • 盈餘 | • rebound |
| • 跌停 | • trend |
| • 每股盈餘 | • margin buying |
| • 融資買進 (n.) | • short selling |
| • 類股輪動 | • EPS |
| • 融券放空 (v.) | • SEC |
| • 融券放空 (n.) | • sector rotation |
| • 美國證管會 | • sell short |
| • 營建業 | • rally |
| • 短期上揚 | • buy on margin |
| • 融資買進 (v.) | • construction sector |