Market Talks
EDUCATION CENTER

STOCKS · BEGINNER · LESSON 6 OF 15

Reading a Stock Quote

What every number on a stock quote means, from the ticker and price change to the bid, the ask, volume, market cap, P/E and dividend yield

12 min read 8 quiz questions with answer key

STOCKS · BEGINNER · LESSON 6 OF 15

Reading a Stock Quote

IN ONE SENTENCE

A stock quote is a summary screen for one stock. It shows the ticker and exchange, the latest price and how much it has changed, the best bid and ask, the day's range, volume and key figures such as market cap, P/E ratio and dividend yield. Once you know what each field means, any quote on any app or website becomes easy to read.

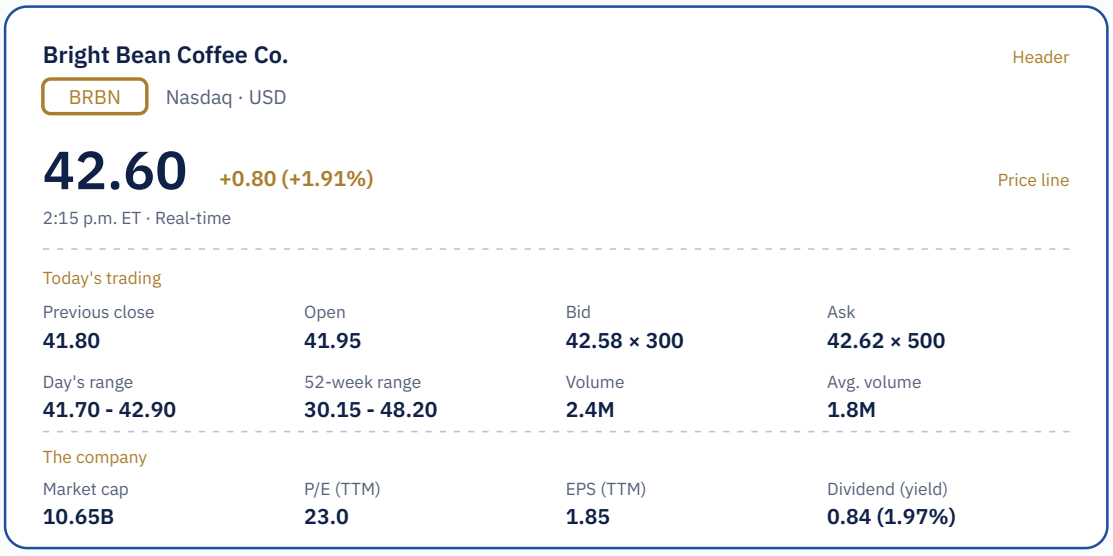
The parts of a stock quote

Every trading app and financial website shows stock quotes in a slightly different layout, but they all contain the same basic information. In this lesson we will read one quote field by field. To keep things simple, we use an **imaginary example**: Alex's coffee company from Lessons 1 and 2, Bright Bean, has now gone public on Nasdaq under the ticker **BRBN**. The company, the ticker and every number in this lesson are made up for teaching.

A quote has three main parts:

- **The header:** the company name, its ticker symbol, the exchange and the currency of the price.
- **The price line:** the latest price, how much it has changed today in money and in percent, and the time of the last update.
- **The statistics:** a block of numbers about today's trading, such as the bid and ask, the day's high and low and the volume, and about the company, such as market cap, P/E ratio and dividend yield.

Figure 1 shows the full quote. The rest of the lesson explains each part.



Imaginary company, for teaching only

Figure 1. A full stock quote for the imaginary company Bright Bean (BRBN). Every number in this lesson is made up for teaching.

Tickers and exchange codes

Every listed stock has a short code called a **ticker symbol**. In the United States, tickers are made of letters: AAPL is Apple, MSFT is Microsoft and KO is Coca-Cola. The name comes from the old ticker-tape machines that printed prices on paper strips.

Other markets use different styles. Many Asian exchanges use numbers instead of letters: Toyota is **7203** in Tokyo, TSMC is **2330** in Taiwan, Tencent is **0700** in Hong Kong and Samsung Electronics is **005930** in Korea. London uses letter codes such as SHEL for Shell, and India's NSE uses names such as RELIANCE for Reliance Industries.

Because the same code can mean different things on different exchanges, many platforms add a short suffix or prefix for the exchange, such as 7203.T for Tokyo, 0700.HK for Hong Kong or SHEL.L for London. Each platform has its own system, so always check the company name and the exchange before you trade. Buying the wrong stock because of a similar-looking ticker is a surprisingly common mistake.

The same idea, different codes

Company	Exchange	Code
Apple	Nasdaq	**AAPL**
Shell	London	**SHEL**
Toyota	Tokyo	**7203**
Tencent	Hong Kong	**0700**
TSMC	Taiwan	**2330**
Samsung Electronics	Korea	**005930**
Reliance Industries	India (NSE)	**RELIANCE**

Figure 2. Tickers and codes for well-known companies on different exchanges. Platforms often add their own exchange suffix.

Last price, previous close and change

The large number at the top of the quote is the **last price**: the price of the most recent trade. In our example, BRBN last traded at **$42.60**.

Next to it is the change for the day. This is always measured from the **previous close**, the official closing price of the last trading day, which was **$41.80**:

- **Change in money:** $42.60 − $41.80 = **+$0.80**
- **Change in percent:** $0.80 ÷ $41.80 = **+1.91%**

Most platforms show rises in green and falls in red, though some Asian markets, including mainland China, Taiwan, Japan and Korea, traditionally use red for rises and green for falls. Read the plus or minus sign rather than relying on the colour alone.

Next to the price you will also see a time, such as "2:15 p.m. ET" or "At close". It tells you when the price was last updated, which matters more than it seems, as the last section of this lesson explains.

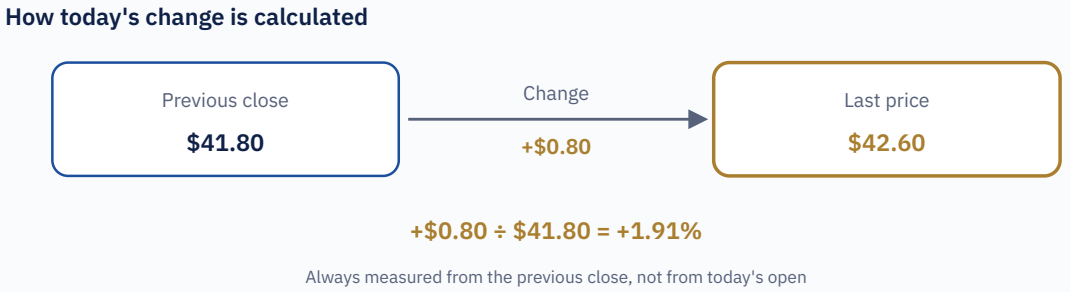


Figure 3. Today's change is the last price minus the previous close, shown in money and in percent.

Bid, ask and size

In Lesson 3 you met the order book. A quote shows its most important line: the best bid and the best ask, often with their **size**, the number of shares waiting at that price.

In our example the quote shows **Bid 42.58 × 300** and **Ask 42.62 × 500**. This means buyers are waiting to buy 300 shares at $42.58, and sellers are offering 500 shares at $42.62. If you want to buy straight away, you will pay about $42.62. If you want to sell straight away, you will get about $42.58. The **spread** is $42.62 − $42.58 = $0.04.

Some platforms show the size in **round lots** of 100 shares, so "3 × 5" can mean 300 and 500 shares. Check how your platform shows it. A large size and a tight spread usually mean a stock is **liquid**: you can trade it quickly without moving the price much. A small size and a wide spread are a warning to trade carefully, especially with market orders.



Figure 4. The bid shows where you can sell now, the ask where you can buy now, and the size how many shares are waiting.

Open, day range and 52-week range

The quote also shows where the price has been:

- **Open:** the first price of today's regular session, set in the opening auction. BRBN opened at $41.95.
- **Day's range:** the lowest and highest prices traded today, here **$41.70 to $42.90**.

- **52-week range:** the lowest and highest prices over the past year, here **$30.15 to $48.20**.

These ranges show where today's price sits in context. BRBN is near the top of today's range, but still about 12% below its 52-week high of $48.20 and about 41% above its 52-week low. Traders watch the 52-week high and low closely, because a stock that breaks above its yearly high or below its yearly low often attracts attention, and many investors use them as reference levels.

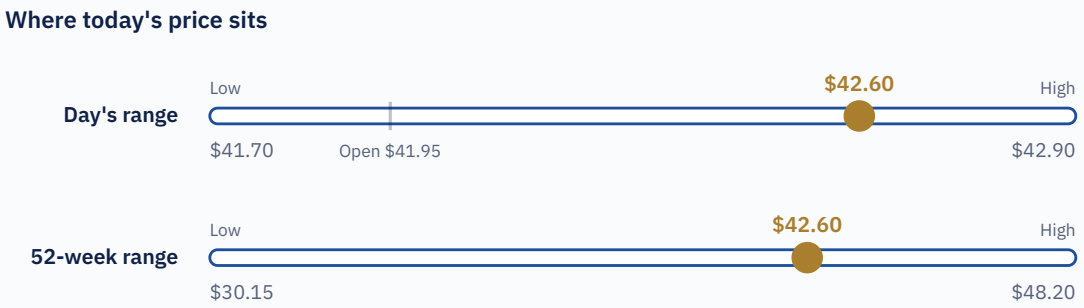


Figure 5. The day's range and the 52-week range show where the current price sits.

Volume and average volume

Volume is the number of shares traded so far today. BRBN shows **2.4 million**. On its own, this number tells you little. It becomes useful when you compare it with the **average volume**, usually the daily average over the past three months, here **1.8 million**.

Today's volume is already about one third higher than normal. Unusually high volume means more people than usual are trading the stock, often because of news, such as earnings, an analyst's opinion or a market-wide move. A price move on high volume is generally taken more seriously than the same move on low volume, because many traders are taking part in it.

Remember that volume builds up during the day. Comparing today's volume at 10 a.m. with a full-day average will always make it look low. Some platforms show **relative volume**, which adjusts for the time of day. Lesson 9 and the Intermediate level look at volume in more depth.

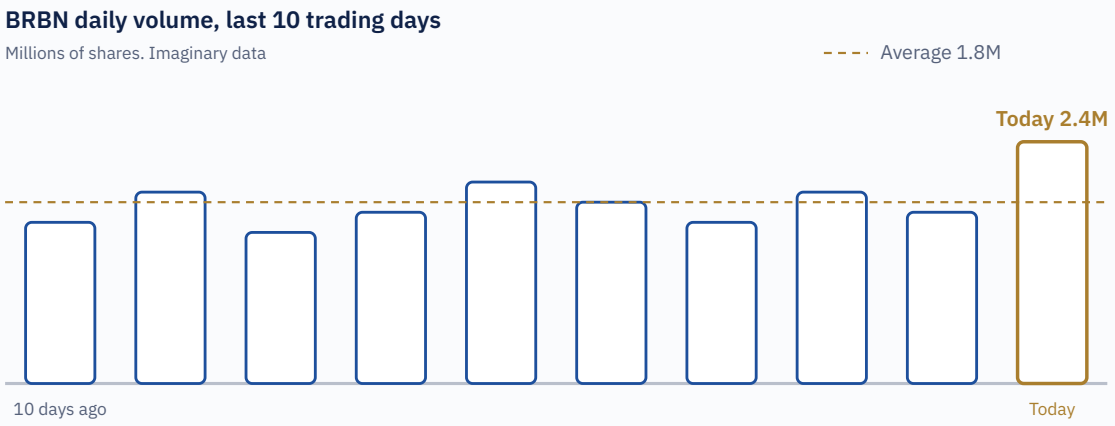


Figure 6. Today's volume is well above the average of recent months, a sign of unusual interest in the stock.

Market cap, EPS, P/E ratio and dividend yield

The last block of numbers describes the company, not just today's trading. Each one is a simple calculation:

- **Market cap:** share price × number of shares. Bright Bean has 250 million shares, so $42.60 × 250 million = **$10.65 billion**. This is what the stock market says the whole company is worth, as you saw in Lesson 1.
- **EPS (earnings per share):** the company's profit for the last 12 months divided by the number of shares. Bright Bean earned **$1.85 per share**. "TTM" next to a figure means "trailing twelve months".
- **P/E ratio (price-to-earnings):** price ÷ EPS = $42.60 ÷ $1.85 = **23.0**. Investors are paying about $23 for every $1 of yearly profit. A higher P/E usually means investors expect faster growth, and a lower one can mean slower growth, more risk or a cheaper stock.
- **Dividend and yield:** Bright Bean pays **$0.84 per share** a year. The yield is $0.84 ÷ $42.60 = **1.97%**, the yearly dividend as a percentage of the price.

These numbers are most useful for comparing similar companies, for example two coffee chains or two banks. A P/E of 23 means nothing on its own, but it is high for a slow-growing utility and low for a fast-growing software company. The Intermediate level covers valuation ratios in detail.

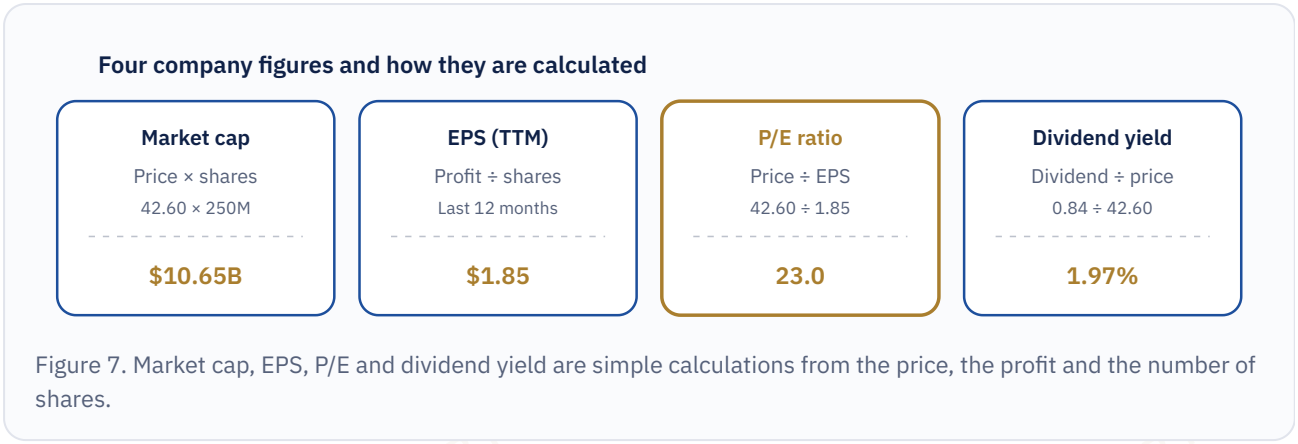


Figure 7. Market cap, EPS, P/E and dividend yield are simple calculations from the price, the profit and the number of shares.

Real-time, delayed and other details

A few small details on a quote can make a big difference:

- **Real-time or delayed.** Many free websites show prices that are delayed, often by 15 or 20 minutes, because exchanges charge for real-time data. Brokers usually show real-time prices to their customers. Look for a note such as "delayed" or "real-time" near the price before you act on it.
- **Extended hours.** Outside regular hours, quotes may show a separate pre-market or after-hours price. These sessions have lower volume and wider spreads. Lesson 8 explains them.
- **Currency and units.** Always check the currency. In London, many prices are shown in **pence** rather than pounds, sometimes marked GBX or GBp, so a price of 450 means £4.50, not £450.
- **Halted or closed.** If trading in a stock has been paused, as you saw in Lesson 3, the quote stops updating, and the last price may be old.

IMPORTANT: CHECK BEFORE YOU TRADE

Before placing any order, check four things on the quote: the **company name and exchange**, so you have the right stock; the **currency**; whether the price is **real-time**; and the **spread** between the bid and the ask. It takes a few seconds and avoids the most common beginner mistakes.

Why this matters for traders

- **The spread and size tell you about liquidity.** Check them before every trade, especially in smaller stocks or outside regular hours.
- **Volume confirms moves.** A breakout or a sharp fall on volume well above average carries more weight than the same move on thin volume.
- **Ranges give reference levels.** The day's high and low and the 52-week high and low are levels that many traders watch, and price often reacts near them.
- **Know when the data is from.** A delayed or after-hours price can be very different from where you can actually trade right now.

Key terms

Ticker symbol	The short code that identifies a stock on an exchange, such as AAPL or 7203.
Last price	The price of the most recent trade.
Previous close	The official closing price of the last trading day, used to calculate today's change.
Bid size and ask size	The number of shares waiting at the best bid and the best ask.
Round lot	A standard unit of 100 shares, used by some platforms to show bid and ask sizes.
Day's range	The lowest and highest prices traded during the current trading day.
52-week range	The lowest and highest prices over the past year.
Volume	The number of shares traded during a period, usually today.
EPS (earnings per share)	A company's profit divided by its number of shares.
P/E ratio	Share price divided by earnings per share: how much investors pay for each unit of yearly profit.
Dividend yield	The yearly dividend per share as a percentage of the share price.
TTM	Trailing twelve months: a figure covering the most recent 12 months.

Key takeaways

1. A stock quote has a header (name, ticker, exchange, currency), a price line (last price and change) and a block of statistics.
2. Tickers differ by market: letters in the US and London, numbers in Tokyo, Hong Kong, Taiwan and Korea. Always check the name and exchange.
3. Today's change is measured from the previous close. The bid and ask show where you can sell and buy right now, and the size shows how many shares are waiting.
4. The day's range and 52-week range put the price in context, and volume compared with average volume shows how active trading is.
5. Market cap, EPS, P/E and dividend yield describe the company. Always check whether a price is real-time or delayed and which currency it is in.

Test yourself

Circle one answer for each question. The answer key with explanations is on the next page. You can also take this quiz online at markettalks.info and see your score instantly.

1. A stock last traded at $42.60, and the previous close was $41.80. What is the change in percent?

A. +0.80%
B. +4.26%
C. +19.1%
D. +1.91%

2. In which of these markets is a stock identified by a number, such as 7203 for Toyota?

A. New York
B. London
C. Tokyo
D. Toronto

3. A quote shows Bid 42.58 × 300 and Ask 42.62 × 500. What does "× 500" mean?

A The price will rise by 500%
B 500 shares are offered for sale at $42.62
C 500 people own the stock
D The stock has traded 500 times today

4. Using the same quote, what is the spread?

A $0.04
B $0.40
C $42.60
D $85.20

5. What does the 52-week range show?

A The prices traded today
B The expected price range next year
C The range of dividends paid
D The lowest and highest prices over the past year

6. Today's volume is 2.4 million shares, and the average volume is 1.8 million. What does this suggest?

A Trading is more active than usual, often because of news
B Trading is quieter than usual
C The price must be falling
D The company has issued new shares

7. A stock trades at $42.60, and its earnings per share are $1.85. What is its P/E ratio?

A About 2.3
B About 23
C About 44
D About 79

8. **A London stock is quoted at 450 GBX. What is its price in pounds?**

A £450

B £45

C £4.50

D £0.45

Answer key

1 D

+1.91%

The change is $0.80, and $0.80 ÷ $41.80 = 1.91%. The percentage is always measured from the previous close.

2 C

Tokyo

Tokyo, Hong Kong, Taiwan and Korea use numeric codes. US and London tickers are made of letters.

3 B

500 shares are offered for sale at $42.62

The number after the price is the size: how many shares are waiting at that price. Some platforms show it in round lots of 100.

4 A

$0.04

The spread is the ask minus the bid: $42.62 – $42.58 = $0.04.

5 D

The lowest and highest prices over the past year

The 52-week range shows the lowest and highest prices of the past year, which many traders use as reference levels.

6 A

Trading is more active than usual, often because of news

Volume well above average means more people than usual are trading the stock. It does not tell you the direction by itself.

7 B

About 23

P/E = price ÷ EPS = $42.60 ÷ $1.85 ≈ 23. Investors pay about $23 for each $1 of yearly profit.

8 C

£4.50

GBX means pence. There are 100 pence in a pound, so 450 pence is £4.50.

SOURCES

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