



BEGINNER'S GUIDE TO the **Nigerian** Stock Market

UNDERSTAND • ANALYSE • INVEST

STOCK MARKET MOVEMENT



A practical foundation for first-time investors

FOREWORD

The stock market can look complicated when you first encounter prices, charts, brokers and financial terms. This course is designed to make the market easier to understand and easier to approach.

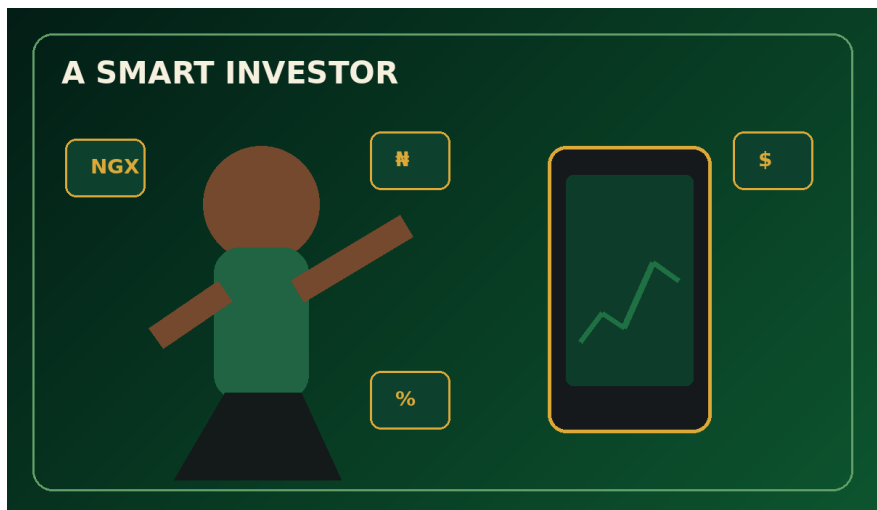
At **Geralfin Academy**, our goal is to help everyday people build the knowledge needed to understand financial markets and make more informed decisions. This guide focuses on the foundations of stock-market investing, with a practical Nigerian perspective.

You will learn what shares are, how the Nigerian Exchange works, who the key market participants are, how to begin investing, and the mistakes new investors should avoid.

Use this guide as a learning foundation—not as a promise of returns. Markets can rise and fall, and every investment decision should be based on research, your objectives and your ability to accept risk.

COURSE OUTCOMES

- Explain the basic idea of the stock market
- Identify major market participants
- Understand the steps involved in buying shares
- Recognise common investing mistakes
- Approach investment decisions with more discipline



Geralfin Academy • Financial Markets Education

Understanding the Stock Market

THE NIGERIAN EXCHANGE

MARKETS • SHARES • BONDS



HOW THE MARKET WORKS

Companies can raise capital by issuing shares. Investors then trade those shares in the secondary market. Prices move as buyers and sellers respond to company performance, expectations, economic conditions, interest rates, news and sentiment.

Key idea: you are buying an investment whose value can change over time.

A stock market is a marketplace where investors buy and sell ownership interests in companies. When you buy shares, you acquire a stake in the company and may benefit from price appreciation and, where declared, dividends.

The Nigerian Exchange (NGX)

The Nigerian Exchange is the principal organised market for publicly traded securities in Nigeria. It provides infrastructure through which listed securities can be traded and gives companies access to investors.

SECURITIES & EXCHANGE COMMISSION (SEC)	NIGERIAN EXCHANGE / NGX
The SEC is the regulatory authority overseeing Nigeria's capital market and setting rules designed to promote fair, orderly and transparent activity.	The exchange ecosystem provides the marketplace and infrastructure for trading listed securities and disseminating market information.
STOCKBROKERS	INVESTORS
Licensed professionals or firms that execute trades for clients and provide access to the market.	Individuals and institutions that buy and sell securities in pursuit of their financial objectives.

Steps to Start Investing

Start with a process—not a hot tip. A disciplined process helps you make decisions that fit your goals and risk tolerance.

1. SET YOUR INVESTMENT GOAL	Decide why you are investing, your time horizon and what you want the money to achieve.
2. CHOOSE A LICENSED BROKER	Use a properly licensed broker or investment platform that can facilitate your trades and provide account support.
3. OPEN & FUND YOUR ACCOUNT	Complete onboarding, fund the account and understand the fees and transaction process before trading.
4. RESEARCH BEFORE BUYING	Study the company, its financial performance, valuation, industry position, risks and relevant market news.
5. BUY, MONITOR & REVIEW	Place trades according to your plan. Review your portfolio periodically and adjust when your goals, facts or risk tolerance change.

RESEARCH BEFORE YOU BUY



Remember: A good investment decision is not simply “what is going up?” It is “does this investment make sense for my plan, at this price, with this level of risk?”

Common Mistakes to Avoid

LACK OF DIVERSIFICATION	Putting too much of your money into one company, sector or asset can expose you to unnecessary concentration risk.
INVESTING WITHOUT RESEARCH	Buying because someone recommended a stock—or because it is trending—can lead to decisions that do not match the company's fundamentals or your objectives.
EMOTIONAL DECISION-MAKING	Fear can make investors sell at the worst time, while greed can make them chase prices after a sharp rise. A written plan can help reduce impulsive decisions.
FOLLOWING MARKET HYPE	Social media can amplify excitement around a stock. Popularity is not the same thing as value; verify information before acting.
NO RISK OR EXIT PLAN	Before investing, understand what could go wrong, how much loss you can tolerate and what would cause you to review your position.

YOUR NEXT STEP

Keep learning. Follow market news, read company reports, understand the risks of every investment and build your strategy gradually.

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UNDERSTAND. ANALYSE. DECIDE.