## (Securities) الأوراق المالية

Definition: A security is a financial instrument that represents an ownership position or a credit, issued by companies or governments in forms of shares or bonds that can be traded in the stock market "bourse".

**Types of Securities:**

- Title deeds, such as shares.
  **Shares** are considered title deeds. They represent equal parts of a company's capital, owning a share means holding ownership in a company and gaining shareholders rights, such as voting on company matters and receiving dividends.
  Unlike debt deeds, which signify a loan or obligation, shares reflect an equity interest in a business.
- Debt deeds, such as bonds.

  A **bond** is a financial document, it acts as a promise from a bank or company to pay a specific amount to the holder on a certain date, in exchange for interest. This usually happens because a company needs a loan to expand its business.

**Definition of a regular market:**

A market is a place or system where buyers and sellers interact to exchange goods, services, or financial instruments. Because of the free intercourse between buyers and sellers, the prices of the same goods tend to be uniformed across the entire market easily and quickly.

**The concept of an Official organized monetary market (Stock Market- Bourse)**

The concept of a formalized monetary market stems from a 13th-century hostelry in Bruges, Belgium, named *Huis Ter Beurze*. Founded by Robert van der Buerze in 1285, the inn served as a meeting place for European merchants and traders during the late medieval period. Because its managers provided expert financial guidance to visiting traders, the service evolved into the "Beurze Purse"—the etymological root of *bourse*, signifying an organized trading venue. Eventually, the building transitioned into a dedicated hub exclusively for trading commodities.

As time progressed, this operational model expanded to other urban centres, leading numerous stock exchanges to adopt the name. Notably, the establishment of the Paris Bourse in the 18th century played a prominent role in shaping and accelerating the growth of modern stock markets throughout Europe.

**(Stock Market- Bourse) Definition:**

A **stock exchange** is a marketplace where securities, such as stocks and bonds, are bought and sold by **brokers** (buying and selling for a client) and **dealers** (buying and selling for their own accounts). It provides a platform for investors to trade these financial instruments, facilitating price discovery and liquidity.

Stock exchanges also establish rules and regulations to ensure fair trading practices. Notable examples include the New York Stock Exchange (NYSE) and the London Stock Exchange (LSE). Traditionally, stock exchanges required traders to purchase a "seat" to gain membership and access to trade. Today however, leasing seats in traditional stock exchanges is less common due to the rise of electronic trading platforms. Most trading now occurs online, eliminating the need for physical seats. However, some exchanges may still offer memberships or access rights that can be leased or rented.

In a stock exchange, various financial instruments can be exchanged, including:

1. **Stocks**: Shares representing ownership in a company.
2. **Bonds**: Debt securities issued by governments or corporations.
3. **Commodities**: Physical goods like gold, oil, or agricultural products, traded through futures contracts.
4. **Foreign exchange:** Trading currencies, typically occurs in a separate market.

**Differences between the regular market and Stock market**

- In a regular market, the merchandiser meets the customer, or whoever wants to purchase, face to face. but in the stock market – Bourse- the commercial transactions are sometimes done through brokers and mediators.

- In a regular market, commodities are present in front of the dealers, however in the stock market, commodities are found outside (either in stores or private banks).

- In a regular market, the sales deliverance of the commodity and the pricing are done after the purchaser checks whatever he wants to buy, but the issue is different in the bourse.

- In a regular market, the selling and the purchasing are real, however in the stock market it can be done through speculation on price differences without paying the price or delivering the sale.