



# Learn to Trade

How the Prices Move

# HOW THE PRICES MOVE

- The main reason that prices move on the market is because of **Supply and Demand**

The price goes up when more people want to buy the product than sell it.

The price goes down when more people want to sell the product than buy it.

# HOW THE PRICES MOVE

- When a buyer and a seller agree on a price, a trade takes place and that now becomes the new price.

# EXAMPLE



- Seller wants R1 million for their house.
- A buyer approaches with an offer of R900 000.
- The buyer and seller agree to the sale.
- The price is now R900 000

# EXAMPLE



- The neighborhood becomes more popular.
- The demand for property increases.
- A buyer offers the owner R1.1 million
- The buyer and seller agree to the sale.
- The price of the house is now R1.1 million.

# MARKET SENTIMENT

- Do people like or dislike your product?
- Which news is positive for the price?
- Which news is negative for the price?

# MARKET SENTIMENT

- Changes in the neighbourhood could affect the price of the house.

The price could go up when a new mall is built in the area.

The price could go down when crime increases in the area.



# HOW THE PRICES MOVE

- The price moves when a transaction takes place.

The factors that affect what this price is includes:

- **Supply of the product**
- **Demand for the product**
- **The Market Sentiment**