

What are stock market bulls vs Bears

- 1** Being bullish or bearish in finance means that you are either optimistic or pessimistic about the current market climate.
- 2** Bulls are people who think the market or a particular stock is going to rise.
- 3** If investors are bullish about a stock, they'll rally behind that stock by investing in it.
- 4** Bears, on the other hand, are individuals who feel that the market and/or an individual security is going to lose value.
- 5** Bearish investors will sell or take a short position in the security or index that they believe is doomed.
- 6** Generally, investors shift in and out of bearish and bullish modes based on many factors, including global economic concerns, national economic data, and corporate financial performance.
- 7** These two diverse outlooks create the market.
- 8** To have a working system, we need people willing to buy and people willing to sell.
- 9** Since bears often think the market or their positions are going to lose value, they will sell to mitigate losses.
- 10** Bulls, on the other hand, will perceive the same economic indicators as a good time to buy, and they'll pick up what bears are selling, so that they can profit from the upward momentum that is anticipated.
- 11** An investor can be bullish about the overall market but bearish on a given stock.
- 12** In this case a proper trading strategy would be to take a short position in the stock and buy a market portfolio or an instrument that tracks the market.
- 13** The opposite situation can be true as well.
- 14** So while these iconic animals of Wall Street consistently take opposed views on the market, wise investors know that both mindsets are needed for successful trading.