

Stocks vs bonds

STOCKS	BONDS
Prices can rise rapidly but can also fall rapidly, depending on the daily fortunes of the company	Prices tend not to fluctuate significantly unless there is danger of the issuer being unable to redeem the bond
Companies are not obligated to pay dividends	Issuers are required to pay the coupon promised
Initial capital not guaranteed, and depends on share price performance	Issuers return invested capital upon maturity
Upon company insolvency, shareholders rank lower in priority to be repaid	Upon issuer insolvency, bondholders rank higher in priority to be repaid