



U.S. Securities and Exchange Commission

"Bid" Price

In the context of the over-the-counter market, the term "bid" refers to the highest price a [market maker](#) will pay at any given time to purchase a specified number of shares of a stock. The term "ask" refers to the lowest price at which a market maker will sell the stock.

The ask price (also known as the "offer" price) will almost always be higher than the bid price. Market makers make money on the difference between the bid price and the ask price. That difference is called the "spread".

<http://www.sec.gov/answers/bid.htm>

We have provided this information as a service to investors. It is neither a legal interpretation nor a statement of SEC policy. If you have questions concerning the meaning or application of a particular law or rule, please consult with an attorney who specializes in securities law.