

Global View - Understanding The Stock Market (C0208)

A: Sorry to bother you sir, but I have some bad news.

B: What is it?

A: Well, the stock market just took a huge plunge and we've lost a lot of money!

B: What do you mean? What happened?

A: There are many factors that weigh in, but NASDAQ is down 200 points, the DOW JONES indicator also suffered! Our portfolio is worth half of what it was worth points week ago.

B: How is this possible? You are supposed to be talking to our stockbrokers and making sure that our securities and investments are safe and making a profitable return!

A: I know sir! We didn't expect a bull market to become a bear market all of a sudden. On the other hand, you still have some high yield trash bonds and government bonds that will give us enough liquidity to cut our loses and reinvest in emerging markets. We could potentially make this tragedy work for us and make us think outside the box.

B: Do what you have to do! One other thing, don't tell the rest of the stockholders about this. If they find out, it's the end of this company!

Key Vocabulary

plunge	<i>common noun, singular</i>	a steep and rapid fall
weigh in	<i>phrase</i>	to contribute, especially in a discussion
profitable	<i>Adjective</i>	affording gain, benefit, or profit
yield	<i>common noun, singular</i>	the amount of something that is produced
think outside the box	<i>phrase</i>	take another look at something

Supplementary Vocabulary

Dow Jones Average	<i>common singular</i>	<i>noun,</i>	an index that shows how 30 large, publicly-owned companies based in the United States have traded during a standard trading session in the stock market.
Fortune 500	<i>common singular</i>	<i>noun,</i>	an annual list compiled and published by Fortune magazine that ranks the top 500 U.S. closely held and public corporations as ranked by their gross revenue
Equities	<i>common plural</i>	<i>noun,</i>	Common and preferred stocks, which represent a share in the ownership of a company.
face value	<i>common singular</i>	<i>noun,</i>	The cash denomination of the individual debt instrument.
Initial Public Offering			A company's first issue of shares to the general public.