



Meeting 1: What is the stock market? + preview of UPenn competition!

Friday October 5th, 2018



The Stock Market

- Is a platform where people can purchase or sell units of a company, known as a stock.
- There are many stock markets around the world, NOT JUST ONE! (the big two in the US are the New York Stock Exchange (NYSE) and the Nasdaq)
- An index is a group of stocks that is averaged out to summarize the **overall performance** of the stock market on a particular day.
- Some major indexes that we will cover include the Dow Jones Industrial Coverage, the Nasdaq Composite, and S&P 500.
- Dow Jones IC: TOP 30 US Stocks
- S&P 500: Collection of 500 major US stocks (better representation of stock market due to larger sample size)
- Nasdaq Composite: Focused on tech companies and some smaller stocks
- Indexes DO NOT give you information about a select few stocks, but rather they look at the WHOLE array of stocks



DOW JONES

The Dynamics of the Stock Market

- In a order to purchase a stock, one must place an order through a broker, which is a service that **completes transactions** in the stock market.
- For beginners, you must set up a brokerage account either through an online service or a brokerage firm so that you can start buying and selling stocks. (must be a legal adult!)
- Pay per share refers to the cost of one share/piece of stock
- When purchasing a stock, one must declare their pay per share and the number of shares that they would like to purchase. This transaction is referred to as a “bid”.
- When selling a stock, one must declare the price that they want to sell each share and the number of shares they want to sell. This transaction is referred to as an “offer” or “ask”.
- YOU NEED MONEY!



My Account: Overview (🔊) Resources Roundup: Interest Rates and Your Portfolio [New post](#)

Get ideas on steps you can take as rates go up

bryanthuang2009 [Link/Add Acct](#)

Balances Account value Account [Show](#) [Settings](#)

Position cards

GOOG
\$1,200.75
5.44 (0.46%)
5 shares

FB
\$159.79
-2.65 (1.63%)
20 shares

KEYW
\$9.05
0.21 (2.38%)
100 shares

KTOS
\$14.55
-0.34 (2.28%)
50 shares

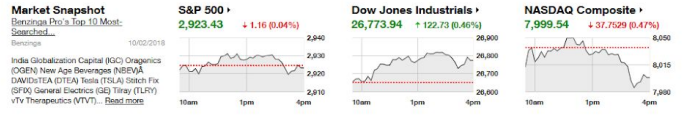
GRPN
\$3.80
-0.07 (1.81%)
50 shares

OPIT
\$0.83
-0.006 (0.51%)
40 shares

MGTI
\$0.83
0.0295 (25.90%)
100 shares

7 of 7 [See all positions](#)

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Select None selected [See details](#)

10 Earnings

Wednesday, October 3, 2018

Symbol	Estimate (\$)	Previous quarter	Estimate range	Date confirmed
LEN	\$1.19 E	19.10%	\$1.12 to \$1.26	Yes
BPM	\$0.877 E	-16.48%	\$0.80 to \$1.03	Yes
AVY	\$2.62 E	10.38%	\$2.17 to \$2.81	Yes
SAX	\$2.46 E	3.45%	\$2.44 to \$2.48	Yes
LEN.B	---	---	---	Yes
BECN	\$0.11 E	-59.26%	\$0.09 to \$0.13	Yes
EB	\$-0.605 E	-68.06%	\$-0.64 to \$-0.50	Yes
NAUH	---	---	---	No
TOPS	---	---	---	No
ARTW	---	---	---	No

OCTOBER 2018

S	M	T	W	T	F	S
30	1 (5)	2 (6)	3 (11)	4 (9)	5 (2)	6
7	8 (5)	9 (9)	10 (6)	11 (12)	12 (10)	13
14	15 (26)	16 (31)	17 (62)	18 (55)	19 (33)	20 (1)
21	22 (154)	23 (181)	24 (284)	25 (184)	26 (52)	27
28	29 (259)	30 (274)	31 (343)	1 (160)	2 (85)	3
4	5 (441)	6 (262)	7 (249)	8 (178)	9 (91)	10 (1)

**Today, Wednesday, October 3*

Quote Options: Enter underlying symbol and click Chain | Index: use "\$" (e.g. \$DJ) [Chain](#) [S](#) [?](#)

[SnapTicket](#) [Order Status](#) [Messages](#) [Market closed](#)

Stocks: Profile [Learn about key features of our stocks research section](#)

Tesla Inc NASDAQ: TSLA
Consumer Discretionary · Automobiles | Large Cap Growth [Company profile](#)

TSLA [Go]
Symbol lookup

Now! We've created a page tailored for you. [Click here to see the stocks overview page.](#)

Buy **Sell** Closing Price **\$301.02** Day's Change **+9.68 (-3.12%)** Bid **\$303.00** Ask **\$304.10** 50x1000 Day's High **316.84** Day's Low **299.15** Volume (Average) **11,743,511**

[Get quotes](#) [Get alerts](#) [Add to watch list](#) [Options chain](#) [Historical quotes & splits](#) [Income Estimator](#) **NEW**

October 02, 2018 4:00pm ET

Summary News Social Signals Charts Earnings Fundamentals Valuation Calendar Analyst Reports Peer Comparison SEC Filings

Prev Close	310.70	Market Cap	51.4B	1d	2d	5d	1mo	3mo	6mo	1yr	3yr
Today's Open	313.95	Shares Outstanding	170.6M								
Day's Range	299.15-316.84	EPS (TTM, GAAP)	-11.84								
Avg Vol (10-day)	11.8M	P/E Ratio (TTM, GAAP)	--								
Last (time)	4:00p ET 10/02/18	Annual Dividend/Yield	No dividend								
Last (size)	1	Ex-dividend	No dividend								
52-Wk Range	244.59 - 367.46	Beta	1.0								
Historical Volatility	52.3%	% Held by Institutions	56.94								
		Short Interest (% of float 09/15/18)	26.22								

Close PredictWallStreet

Community Sentiment: **Where does the community think TSLA will go?**
Predict to find out

1 Day: Up (green), Down (red)
1 Week: Up (green), Down (red)
1 Month: Up (green), Down (red)
3 Months: Up (green), Down (red)

Making a prediction constitutes acceptance of the PredictWallStreet [terms of use](#).

- Latest News**
- October 03, 2018**
- 12:47 am ET [Correction to Tesla Model 3 Production article](#)
Dow Jones
 - 10:46 pm ET [Here's how Tesla's Elon Musk got a worse deal than the SEC first offered](#)
MarketWatch
- October 02, 2018**
- 6:04 pm ET [Law Offices of Howard G. Smith Announces the Filing of a Securities Class Action on Behalf of Tesla, Inc. Investors](#)
BusinessWire
 - 5:55 pm ET [Benzinga Pro's Top 10 Most-Searched Tickers For Afternoon Of Tues., Oct. 2, 2018](#)
Benzinga
 - 4:20 pm ET **UPDATE: Billionaire investor predicts huge things for Tesla in the coming years**

Quote TSLA Bid **\$303.00** Ask **\$304.10** Last: 304.00 Chg (S) -6.70 Vol: 11,743,511

Action **Quantity** **Stock** **Options** **Order type** **Price** **Time-in-force**

Buy [Dropdown] TSLA [Dropdown] Limit [Dropdown] 304.1 [Dropdown] Day [Dropdown]

Sp Instrs [Dropdown] **Advanced orders** [Dropdown]

Review order **Save for later**

[Community Sentiment](#)

1 Day

1 Week

1 Month

3 Months

Reports & Ratings

TSLA

Quote

TSLA Bid: **303.00** Ask: **304.10** Last: 304.00 Chg (\$): **-6.70** Vol: 11,743,511

Chain

\$



Action

Quantity

Stock

Options

Order type?

Price

Time-in-force?

Buy

TSLA

Limit

304.10

Day

Sp instrs ?

Advanced orders ?

None

Select... (optional)

Review order

[Save for later](#)

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SnapTicket®

Order Status

Messages

Market closed

1:18:32 am ET 10/3/18

Streaming: on



[Community Sentiment](#)

1 Day

1 week

1 Month

3 Months

Reports & Ratings

TSLA

Quote

TSLA Bid: **303.00** Ask: **304.10** Last: 304.00 Chg (\$): **-6.70** Vol: 11,743,511

Chain

\$



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Buy

TSLA

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SnapTicket®

Order Status

Messages

Market closed

1:21:57 am ET 10/3/18

Streaming: on



Analyzing a Stock

-Technical analysis: studies the supply and demand of a stock. Strictly history-based, no emphasis on the value of the company. Analyzed via trends, charts, patterns.

-P/E Ratio analysis: studies the price-to-earnings ratio of a stock, which is the the stock's market value per share divided by its earnings per share. $<P/E \text{ ratio} = \text{BETTER}$, $>P/E \text{ ratio} = \text{WORSE}$

-Earnings per share analysis: how efficiently the earnings of a company are being given to investors. The higher the EPS, the more money that investors earn as the company profits.

-Price to Earnings GROWTH ratio analysis: PEG is basically the P/E ratio divided by the stock's 12-month growth rate. This is perfect for extrapolating the potential of a stock in the future. $PEG < 1 = \text{VALUABLE}$

-Book value: The formula for P/B ratio equals the market price of a company's stock divided by its book value of equity. Book value of equity is derived by subtracting the book value of liabilities from the book value of assets. Investors view a low P/B ratio as a sign that the stock is potentially undervalued.

Analyzing a Stock cont.

- Return on equity analysis: ROE is the ratio of a shareholder's net income from a stock over their equity. A constant increase in ROE is always good for investors because it means that they are always getting positive returns.
- Analyst recommendations: Many new investors seek the opinions of experienced investors on certain stocks, which can help them make better investing decisions

NOW, ANALYZE THIS!

Market Summary > Tesla Inc

NASDAQ: TSLA

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301.02 USD **-9.68 (3.12%)** ↓

Closed: Oct 2, 7:58 PM EDT · Disclaimer

After hours 304.10 **+3.08 (1.02%)**

1 day

5 days

1 month

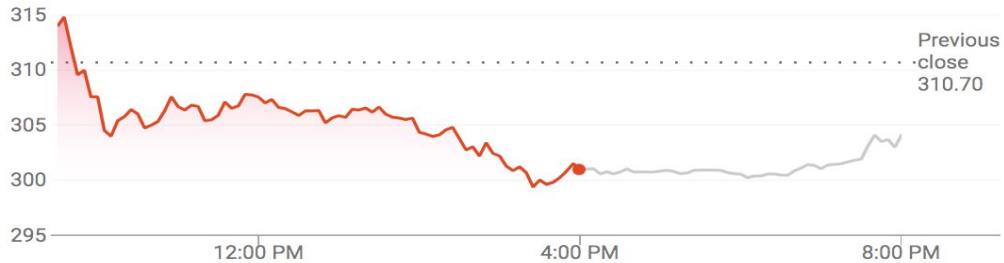
6 months

YTD

1 year

5 years

Max



Open
High
Low
Mkt cap
P/E ratio

313.95
316.84
299.15
51.35B
-

Div yield
Prev close
52-wk high
52-wk low

-
310.70
387.46
244.59


Those are some...

GOOD ANSWERS



Team 1: Janmesh, Shaurya, Saketh,
Navneeth, Ryan Murliraj, Kenneth,
Madhav.

Team 2: Audrey, Max Peng, Ryan
Nurwono, Max Zhou, Hiran, Bryant,
Siddhant



New Info about UPenn OTIS Competition

- The competition officially BEGAN this Monday October 1st, 2018.
- We have already revealed our 2 groups of 7 investors that will be competing. Congratulations!
- Competition CASE STUDY: <http://kw.wharton.upenn.edu/kwhs-invests/guidebook/case-study/>
- MAKE SURE TO READ THE COMPETITION SCORING GUIDELINES, AS WE HAVE TO MAKE A PORTFOLIO, NOT JUST MAKE IMMENSE PROFIT!



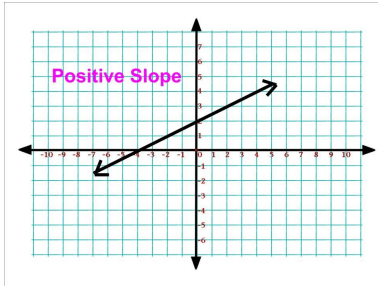
How you can trade

- Janmesh is the only person who can trade so far
- Using what you learn from our lessons, look up some stocks of your own that you would like to buy
- When doing so, give a brief description about why you chose that stock to buy (ex: good recent performance, forecasts from trusted news sources signaling good profits, etc.)
- We will try to fulfill your requests as fast as possible, whether it be buying or selling
- Keep in mind that we only have \$100000 in virtual money to spend for team, and not all the money will be used at once, so plan WISELY
- DON'T FORGET THAT WE NEED TO HAVE A DIVERSE PORTFOLIO (there will be more info in a future lesson)
- And regarding our MarketWatch tournament...
- We want you guys to have active group chats in which a fluid discussion about trading operations follows.

End of Meeting 1

Next meeting will be announced soon! Stay tooned.

Next Meeting FOCUS: The fundamentals of investing



The direction pepe's arm is pointing is how we want our portfolio to perform guys!