



SPY	221.90	●	-2.57	-2.2%	114.81	111.93	687,177
QQQ	112.56	●	-2.57	-2.2%	3879.65	3696.4	228,904
AMZN	3716.78	●	-148.50	-3.8%	298.69	282.04	578,141
GOOGL	282.04	●	-17.08	-5.7%	96.75	93.57	207,773
MSFT	93.57	●	-3.19	-3.3%	91.17	89.47	356,383
FB	89.93	●	-1.03	-1.1%	1077.38	1019.23	336,667
DIS	1019.23	●	-57.62	-5.4%	1503.79	1457.54	8,278,841
WMT	1457.54	●	-40.92	-2.7%	72.96	71.44	891,639
PG	71.54	●	-1.43	-2.0%	3417.92	3320.78	245,470
INTC	3320.78	●	-105.40	-3.1%	137.21	133.27	270,076
IBM	133.27	●	-4.14	-3.0%	5774.98	5648.86	1,361,001
BA	5648.86	●	-128.45	-2.2%			
GE	2517.48	●	-115.56	-4.4%			

# Stock Market Overview

Student Trading Group  
February 6th 2025 Week 2



# Agenda

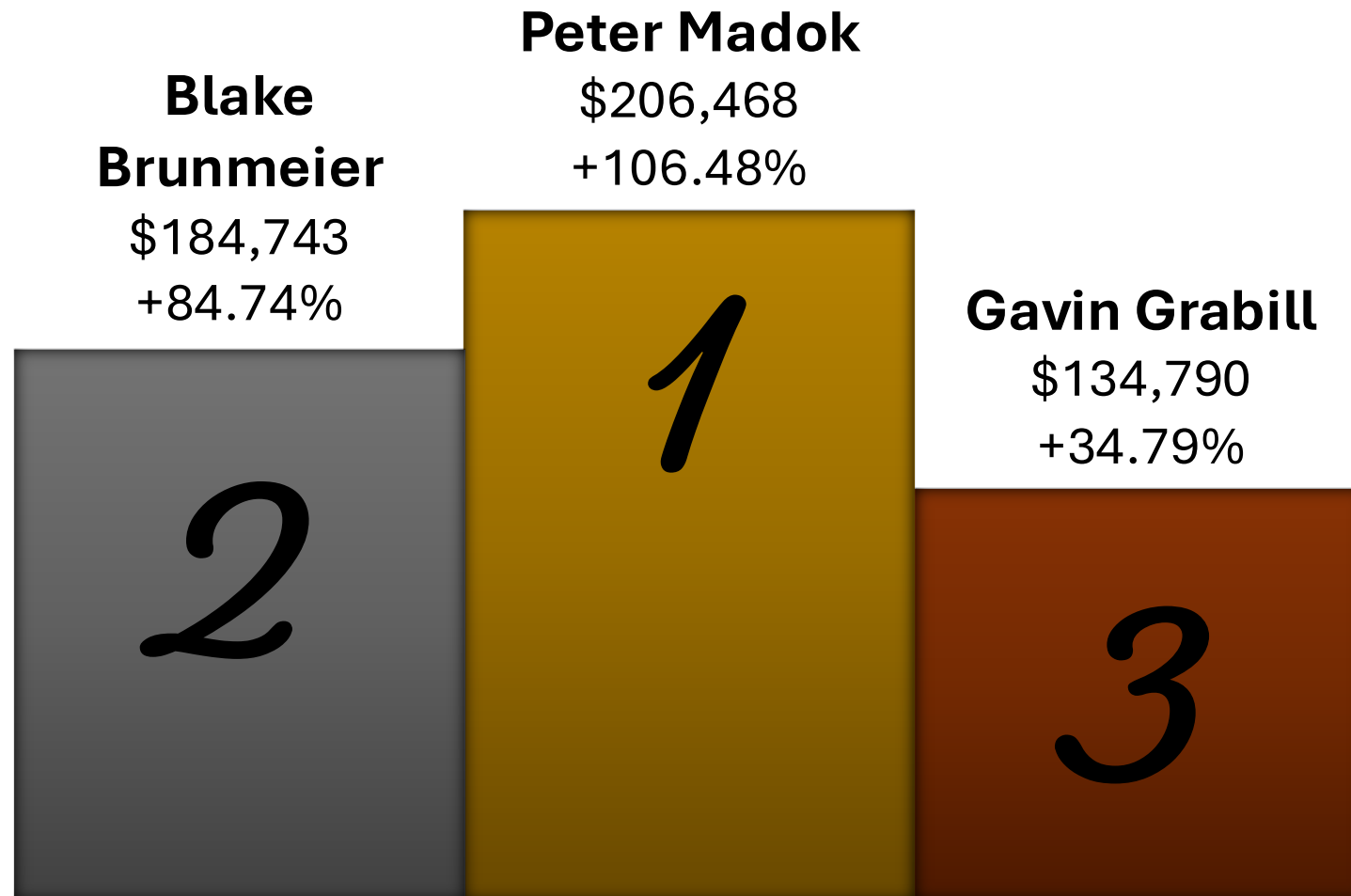
- Announcements
- Market Update
- Stock Market Overview
- Q&A

# Announcements - Trading Competition

- Similar to last semester, we will be hosting a semester long simulated trading competition
- This will be a chance to showcase your skills and compete against your peers to see who can generate the most profit during the semester
- Starts 02/06, ends 04/17
- This will not require any capital on your end!
- Password: **msustg**



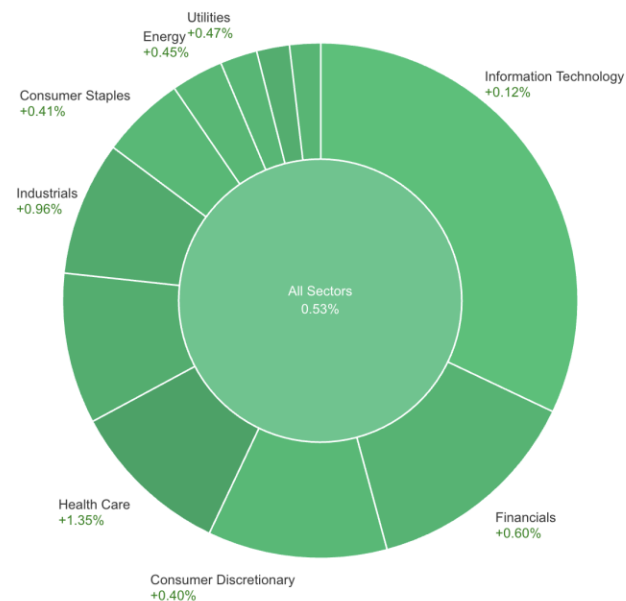
# Trading Competition SS24 Results



# Market Update

## Sector Performance

Search quotes, indexes...



	% PRICE CHANGE
All Sectors	+0.53%
Health Care	+1.35%
Industrials	+0.96%
Real Estate	+0.82%
Communication Services	+0.81%
Financials	+0.60%
Materials	+0.51%
Utilities	+0.47%
Energy	+0.45%
Consumer Staples	+0.41%
Consumer Discretionary	+0.40%
Information Technology	+0.12%

Data last updated as of 4:53 PM EST 01/23/2025

\* The weighted average of intraday total return

- S&P 500 6,118.71 +0.53%
- NASDAQ 20,053.68 +0.22%
- DOW Jones 44,565.07 +0.92%
- Crude Oil 74.62 -1.09%
- Gold 2,765.00 -0.21%
- 10-Year Yield 4.64%

# Market News

- **Corporate:**
  - OpenAI announces Operator, which can perform tasks in browser autonomously
  - CNN announces job cuts to 6% of workforce as it pivots its focus to streaming
  - Red Bull reports record profit for 2024 though revenue growth slowed to lowest since 202
- **Markets:**
  - CTAs cut long positions to lowest since August, aggregate positioning at two-month low
- **Economy:**
  - Average rate on 30-year mortgage slips below 7% after climbing five straight weeks
  - Catastrophe risk model shows insured losses of about \$28B from LA wildfires
- **Washington:**
  - Trump calls on OPEC+ and Saudi Arabia to lower oil prices; demands US interest rates drop immediately
  - Trump criticizes EU regulators in Davos speech for targeting Apple, Google, and Meta
  - Trump CIA pick John Ratcliffe confirmed by Senate as CIA Director
  - Trump considering hedge fund manager Kyle Bass for position with Treasury or Defense
  - Trump criticizes Bank of America, JPMorgan, alleging the banks limit business with conservatives

# Topics of Discussion

- Market Movement
- Macroeconomic Indicators
  - Interest Rates
  - Inflation
  - Unemployment Data
  - GDP growth/decline



# Interest Rates



- Interest rates represent the cost of borrowing money (In this case the government borrowing)
- **Yield:** The return an investor earns from a bond.
- **Price-Yield Relationship:** Bond prices move inversely to yields.
  - If interest rates rise, existing bond prices fall.
  - If interest rates fall, existing bond prices rise.



# Inflation

The rate at which the general level of prices for goods and services rises, eroding purchasing power.

Measured by CPI (Consumer Price Index) & PCE (Personal Consumption Expenditures).

**Equities:** High inflation can pressure corporate margins; tech & growth stocks are more sensitive.

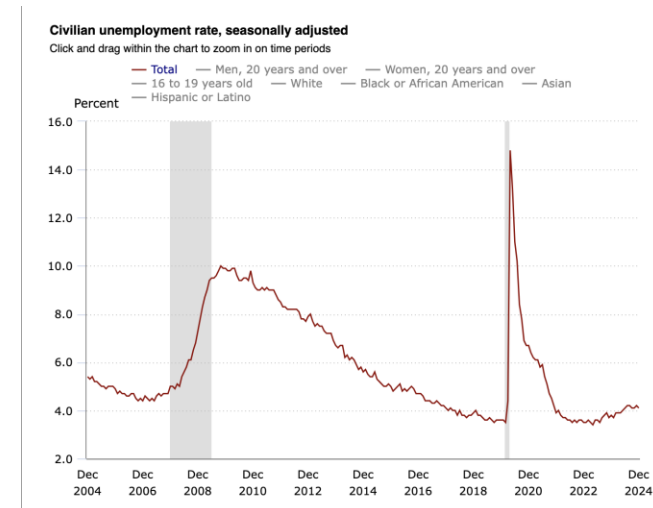
**Bonds:** Rising inflation leads to higher yields, lower bond prices.

**Forex:** Affects currency strength due to central bank policy expectations.

Percent change from 12 months ago												
2014	1.6	1.1	1.5	2.0	2.1	2.1	2.0	1.7	1.7	1.7	1.3	0.8
2015	-0.1	0.0	-0.1	-0.2	0.0	0.1	0.2	0.2	0.0	0.2	0.5	0.7
2016	1.4	1.0	0.9	1.1	1.0	1.0	0.8	1.1	1.5	1.6	1.7	2.1
2017	2.5	2.7	2.4	2.2	1.9	1.6	1.7	1.9	2.2	2.0	2.2	2.1
2018	2.1	2.2	2.4	2.5	2.8	2.9	2.9	2.7	2.3	2.5	2.2	1.9
2019	1.6	1.5	1.9	2.0	1.8	1.6	1.8	1.7	1.7	1.8	2.1	2.3
2020	2.5	2.3	1.5	0.3	0.1	0.6	1.0	1.3	1.4	1.2	1.2	1.4
2021	1.4	1.7	2.6	4.2	5.0	5.4	5.4	5.3	5.4	6.2	6.8	7.0
2022	7.5	7.9	8.5	8.3	8.6	9.1	8.5	8.3	8.2	7.7	7.1	6.5
2023	6.4	6.0	5.0	4.9	4.0	3.0	3.2	3.7	3.7	3.2	3.1	3.4
2024	3.1	3.2	3.5	3.4	3.3	3.0	2.9	2.5	2.4	2.6	2.7	2.9

# Unemployment Data

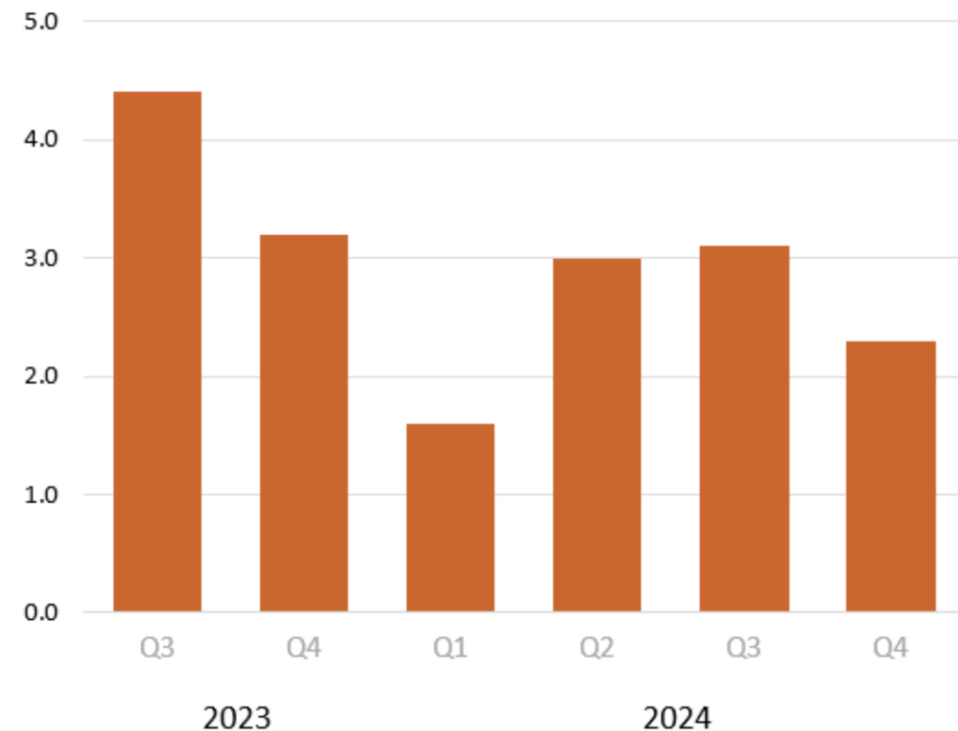
- Measures the percentage of the labor force that is jobless and actively seeking work.
- Impacts on Markets
  - **Equities:** Strong job reports can boost consumer confidence & spending, benefiting cyclical stocks.
  - **Bonds:** Higher employment may push the Fed to keep rates higher for longer, impacting yields.
  - **Forex:** Strong labor data can support the dollar, influencing global currency movements.
- What to watch
  - Non-Farm Payrolls (NFP) Report – Released 1st Friday of each month
  - Initial & Continuing Jobless Claims – Weekly data on layoffs
  - Wage Growth Trends – Impacts inflation & Fed policy
  - Unemployment Rate



# GDP Growth/Decline

- Gross Domestic Product (GDP) measures the total value of goods & services produced in an economy.
- Real GDP – Adjusted for inflation (most watched by markets)
- Nominal GDP – Includes inflation
- GDP Growth Rate – Quarterly/annualized changes in economic output

Real GDP, Percent Change from Preceding Quarter

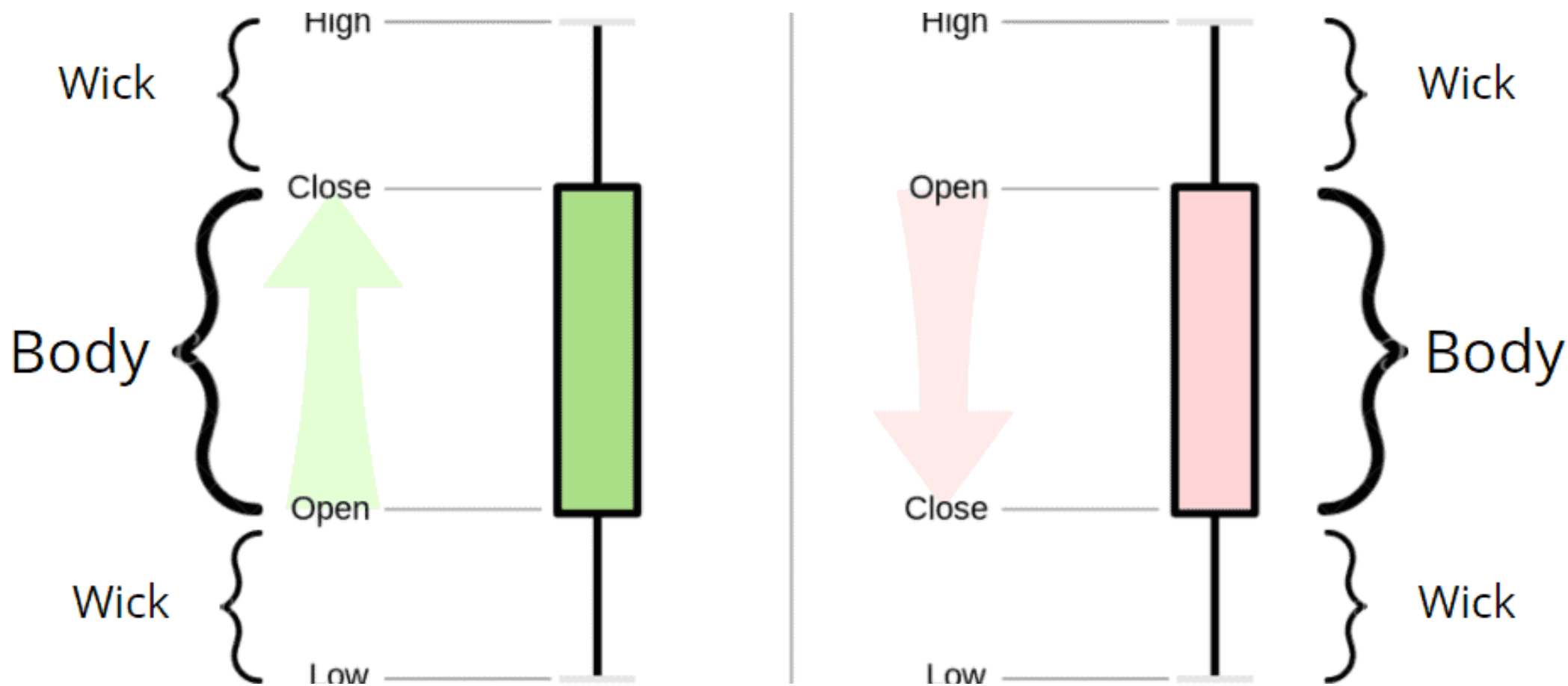


# Chart Analysis

- In Depth Chart Analysis
  - Candle Stick Chart
  - Volume
  - Implied Volatility
  - VIX (fear index)
- Chart Indicators/Strategies
  - Strategies
  - Patterns
  - Analysis
  - Indicators (real time vs lagging)



# How to Read a Candle Stick Chart



# Volume

- Stock volume refers to the number of shares traded during a given period
- Higher volume = More liquidity & interest in the stock



# Volatility

- VIX index
  - The VIX (Volatility Index) measures market expectations for volatility over the next 30 days, based on S&P 500 options often denoted as the fear index.



- Implied Volatility
  - Implied Volatility (IV) measures expected future volatility of an underlying security based on option pricing.
  - Vega (Greek)
  - High IV → (premium is rich)
  - Low IV → (cheaper contracts)

# Chart Indicators

- Moving Averages (MA)
  - Smooths out price action to identify trends.



- Relative Strength Index (RSI)
  - Measures the speed and change of price movements on a scale of 0-100 to identify overbought ( $>70$ ) or oversold ( $<30$ ) conditions.







# Questions?



# THANK YOU!

- [msustg.org](http://msustg.org)