

UGBA 98/198

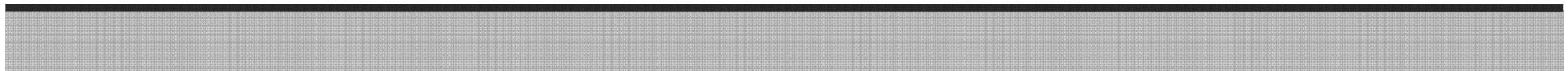
Introduction to Investment

Spring 2009



Jack Wei

Lecture 11 – Bonds, Currencies



No Cell Phones!



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Assignments



Essay

Prompt:

In one page or so, examine a DOW component , and explain whether you would rate it a buy, hold, or sell. In particular, set up a time frame, and use technical as well as fundamental analysis. Please incorporate at least three concepts learned in class.

Note: you may only choose from MMM, AA, AXP, CAT, CVX, DD, IBM, JNJ, KFT, MRK, PFE, PG, and UTX

Due on May 9th.

Final Exam

I will e-mail out the final exam. It will consist of multiple choice and open-ended questions. It should take no longer than 30min to complete.

Concepts to be covered: P/E, market cap, earnings, profit ratios, book value, management efficiency, options, bonds, support/resistance, capitulation, etc.

Final is due on May 11th. Will NOT accept late submissions.
Must turn in to pass course. Again... do not BS.

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Reviewing Options



Insurance - DNDN



Biotech - DNDN

.UKOEU 4 Hrs ago	0.90	-13.30	2.87/1,000	7.65/1,000	340	20,569	7.50	.UKOQU 4 Hrs ago	1.00	+0.68	0.05/400	1.00/2,000	574	7,305
.UKOEI 4 Hrs ago	1.00	-12.20	1.85/1,000	6.65/1,000	10	2,714	9.00	.UKOOI 4 Hrs ago	0.57	+0.12	0.50/1,000	4.80/1,000	1,254	6,207
.UKOEB 4 Hrs ago	1.15	-11.05	1.50/1,500	6.05/1,000	952	19,390	10.00	.UKOQB 4 Hrs ago	2.50	+1.96	0.01/15,000	2.50/5,500	8,452	14,820
.UKOEJ 4 Hrs ago	5.55	-6.20	1.00/2,300	5.35/1,000	369	925	11.00	.UKOOJ 4 Hrs ago	0.75	+0.02	0.10/1,000	4.80/1,100	835	1,748
.UKOEV 4 Hrs ago	7.00	-3.00	0.20/1,500	4.80/1,000	63	7,741	12.50	.UKOOV 4 Hrs ago	5.45	+4.48	0.45/2,000	4.90/400	2,947	11,312
.UKOEK 6 Hrs ago	11.55	+2.85	0.00/0	4.80/1,000	16	451	14.00	.UKOOK 4 Hrs ago	3.85	+2.55	1.39/1,000	3.85/500	778	1,679
.UKOEC 4 Hrs ago	0.50	-7.50	0.00/0	4.80/41,000	986	13,380	15.00	.UKOQC 4 Hrs ago	9.00	+7.52	2.09/1,000	5.00/500	5,757	27,430
.UKOEL 4 Hrs ago	9.05	+1.85	0.00/0	4.80/2,100	286	1,437	16.00	.UKOQL 4 Hrs ago	7.48	+5.68	2.85/1,000	7.60/1,000	1,016	23,843
.UKOEW 4 Hrs ago	0.50	-5.60	0.00/0	4.80/1,000	1,395	9,511	17.50	.UKOQW 4 Hrs ago	8.01	+5.75	4.05/1,000	7.50/500	5,002	13,464
.UKOEM 4 Hrs ago	0.45	-4.75	0.00/0	4.80/41,000	617	2,565	19.00	.UKOQM 4 Hrs ago	8.20	+5.36	5.30/1,000	10.10/1,000	2,656	3,033
.UKOED 4 Hrs ago	0.30	-4.40	0.00/0	4.80/1,000	2,341	20,357	20.00	.UKOOD 4 Hrs ago	11.10	+7.80	6.20/1,000	10.00/100	3,934	19,121
.UKOEN 4 Hrs ago	3.00	-1.05	0.00/0	4.80/1,000	1,430	5,739	21.00	.UKOQN 4 Hrs ago	8.00	+4.30	7.10/1,000	11.90/1,000	564	2,212
.UKOEX 4 Hrs ago	4.80	+1.35	0.00/0	4.80/1,000	5,885	19,291	22.50	.UKOQX 4 Hrs ago	8.50	+3.95	8.50/1,000	13.30/1,000	1,096	1,207
.UKOEE 4 Hrs ago	1.00	-1.39	0.90/500	0.90/19,200	16,645	33,979	25.00	.UKOQE 4 Hrs ago	16.35	+10.35	10.90/1,000	15.70/1,000	2,441	3,366
.UKOEF 4 Hrs ago	0.40	-0.83	0.20/2,500	1.20/300	25,649	52,864	30.00	.UKOQF 4 Hrs ago	16.00	+6.20	15.90/2,000	20.70/1,000	306	5,005

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Tools for the Bear Market

VIX



VIX vs. S&P



$$\text{S\&P} = \text{VIX}/16$$

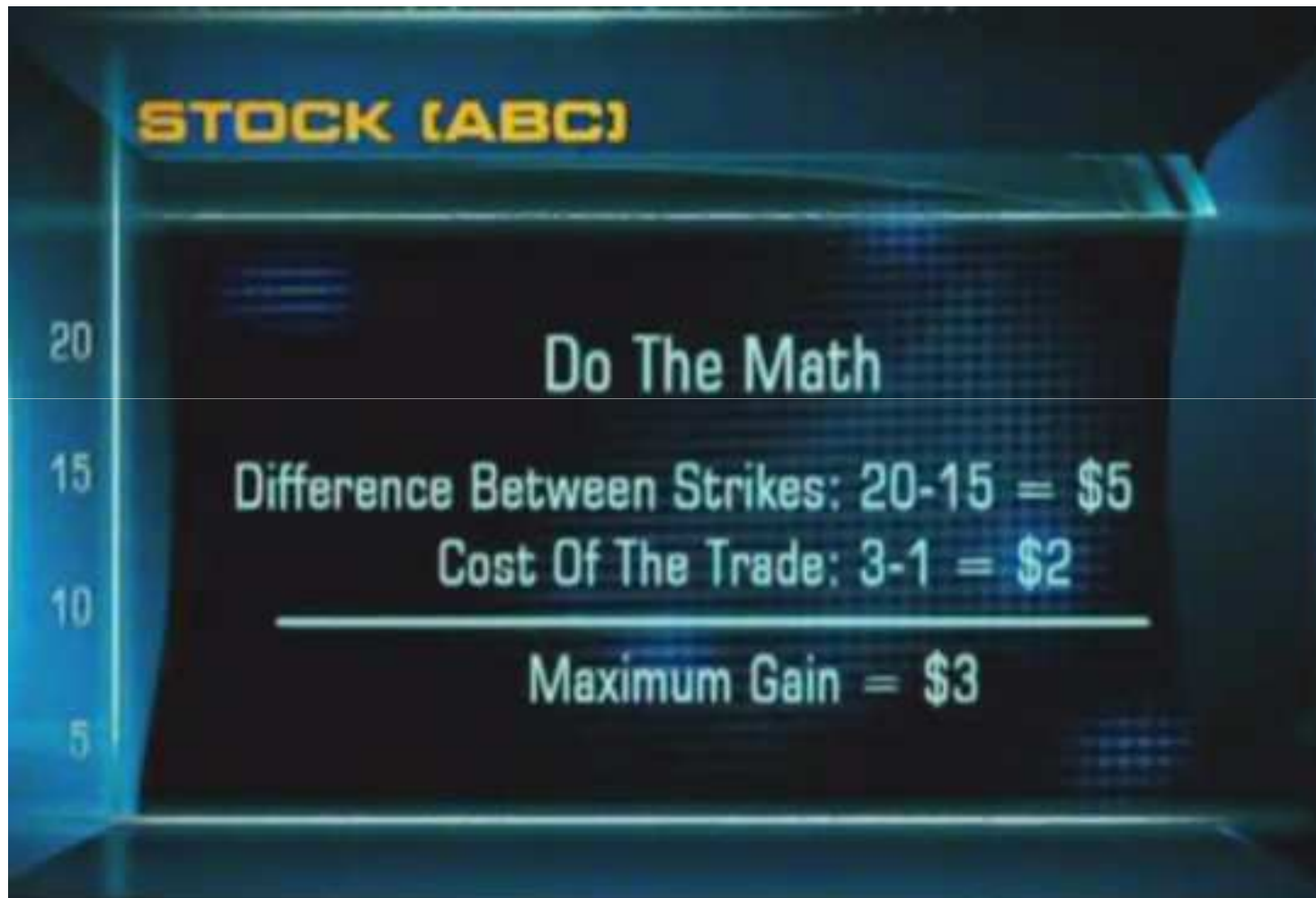
High volatility =
expensive
options



Put Spread - Bearish



Put Spread



Put Spread



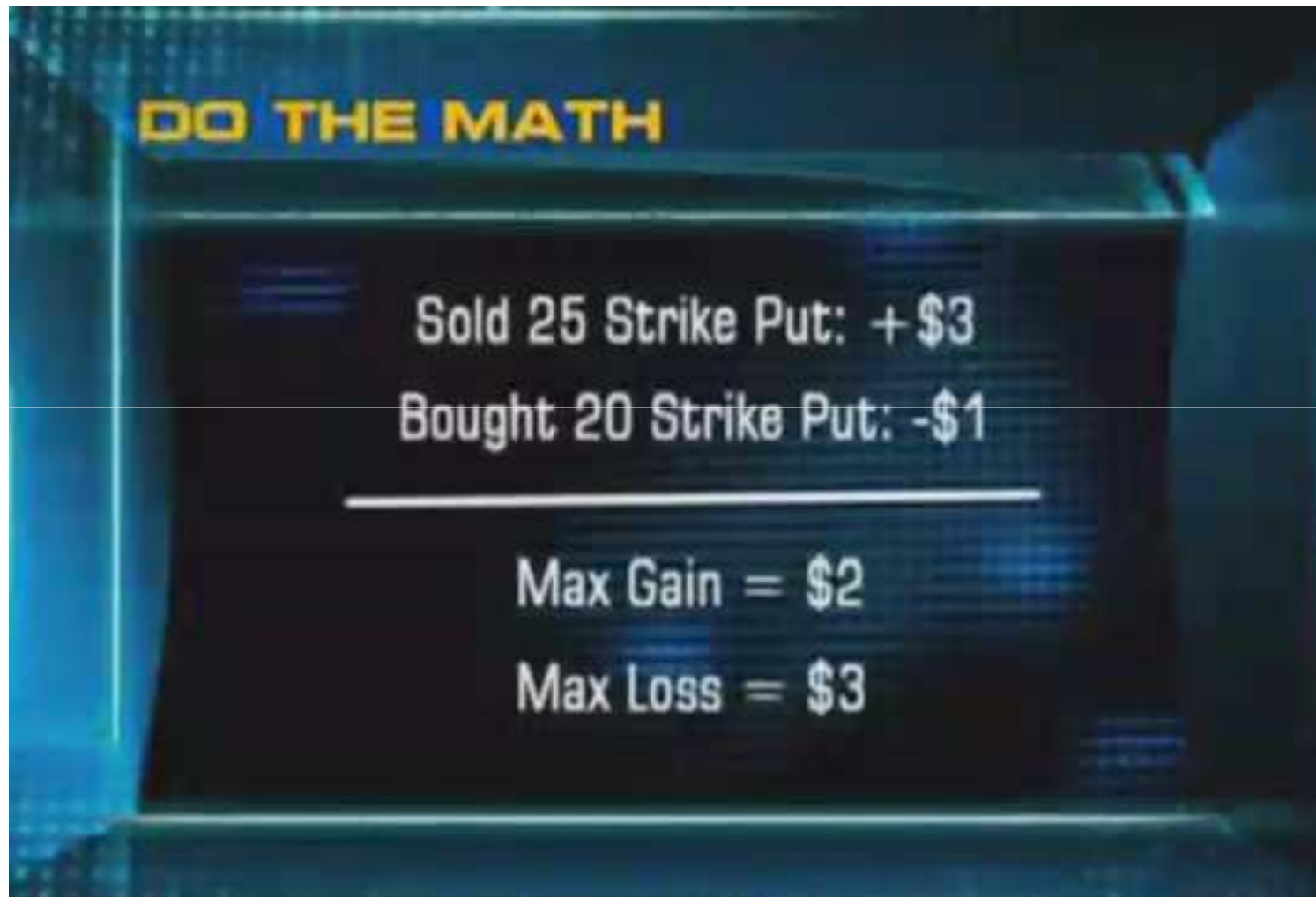
Put Spread - Bullish



Put Spread



Put Spread



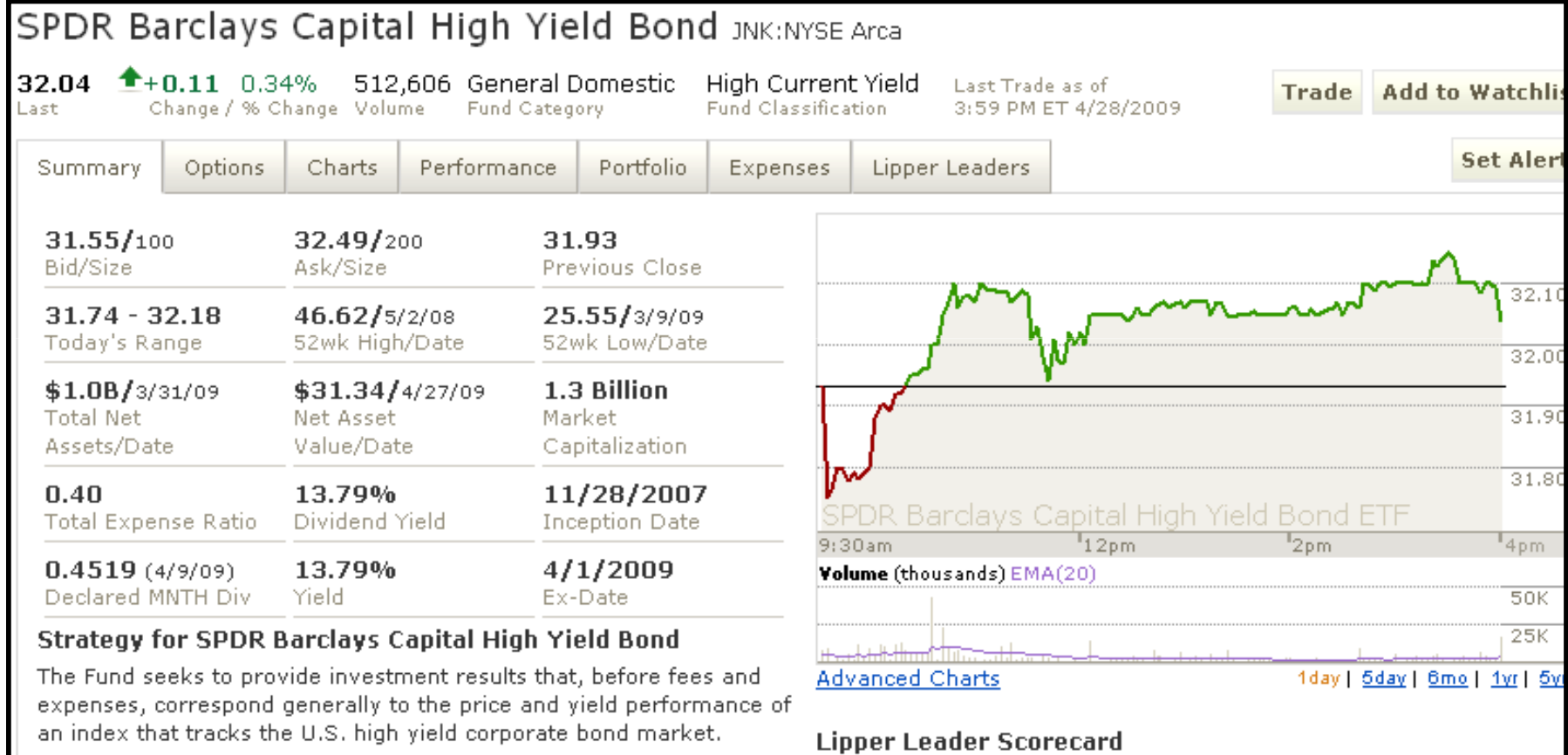
Put Spread



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Corporate Bonds ETFs

Snapshot – Non-Investment Grade



Snapshot – Investment Grade

