

Title: Book Club - Why Stocks Go Up and Down - Chapters 18 - 19 Discussion & Wrap Up

Author: RatioAtLeverage

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Happy Saturday, friends! It's time for our final discussion on Why Stocks Go Up and Down by William Pike & Patrick Gregory. Over the last week if you're following the discussion schedule you will have finished the book. These chapters are:

\* CHAPTER 18: PRICE/EARNINGS AND OTHER EVALUATION RATIOS: WHEN IS A STOCK HIGH OR LOW? The price/earnings ratio is the primary measure that investors use in valuing stocks. We look at the price/earnings ratio in a number of ways, and also look at other valuation ratios: price/cash-flow, price/sales, price/earnings power, and enterprise value/EBITDA. The material in this chapter has helped clear up a lot of our students' misunderstandings about stock prices.

\* CHAPTER 19: WHY STOCKS GO UP AND DOWN In the final chapter, we apply the concepts covered throughout the book to the stock of Abbott Labs. This real world example will help readers appreciate the nuances of applying the analytical framework to a publicly traded company.

Here are the links to the previous discussions:

\* [Chapters 1-3]([https://www.reddit.com/r/ratioatblessons/comments/p4afa3/book\\_club\\_why\\_stocks\\_go\\_up\\_and\\_down\\_chapters\\_13/?utm\\_source=share&utm\\_medium=web2x&context=3](https://www.reddit.com/r/ratioatblessons/comments/p4afa3/book_club_why_stocks_go_up_and_down_chapters_13/?utm_source=share&utm_medium=web2x&context=3))

\* [Chapters 4-6]([https://www.reddit.com/r/ratioatblessons/comments/p8u90d/book\\_club\\_why\\_stocks\\_go\\_up\\_and\\_down\\_chapters\\_46/?utm\\_source=share&utm\\_medium=web2x&context=3](https://www.reddit.com/r/ratioatblessons/comments/p8u90d/book_club_why_stocks_go_up_and_down_chapters_46/?utm_source=share&utm_medium=web2x&context=3))

\* [Chapters 7-9]([https://www.reddit.com/r/ratioatblessons/comments/pdaxnn/book\\_club\\_why\\_stocks\\_go\\_up\\_and\\_down\\_chapters\\_79/?utm\\_source=share&utm\\_medium=web2x&context=3](https://www.reddit.com/r/ratioatblessons/comments/pdaxnn/book_club_why_stocks_go_up_and_down_chapters_79/?utm_source=share&utm_medium=web2x&context=3))

\* [Chapters 10-13]([https://www.reddit.com/r/ratioatblessons/comments/pht20h/book\\_club\\_why\\_stocks\\_go\\_up\\_and\\_down\\_chapters\\_1013/?utm\\_source=share&utm\\_medium=web2x&context=3](https://www.reddit.com/r/ratioatblessons/comments/pht20h/book_club_why_stocks_go_up_and_down_chapters_1013/?utm_source=share&utm_medium=web2x&context=3))

\* [Chapters 14-15]([https://www.reddit.com/r/ratioatblessons/comments/pmk6zb/book\\_club\\_why\\_stocks\\_go\\_up\\_and\\_down\\_chapters\\_14/?utm\\_source=share&utm\\_medium=web2x&context=3](https://www.reddit.com/r/ratioatblessons/comments/pmk6zb/book_club_why_stocks_go_up_and_down_chapters_14/?utm_source=share&utm_medium=web2x&context=3))

\* [Chapters 16-17]([https://www.reddit.com/r/ratioatblessons/comments/pqsbfi/book\\_club\\_why\\_stocks\\_go\\_up\\_and\\_down\\_chapters\\_16/?utm\\_source=share&utm\\_medium=web2x&context=3](https://www.reddit.com/r/ratioatblessons/comments/pqsbfi/book_club_why_stocks_go_up_and_down_chapters_16/?utm_source=share&utm_medium=web2x&context=3))

## # Voting

Tomorrow, October 3rd, voting will begin via poll on selections for the next book which will be announced October 9th along with a new schedule of discussions beginning October 16th.

## # Book Club Recommendations

Have a book you've been wanting to read or one that you've already read and really enjoyed? Let's read it together! Please put any recommendations for future book club books as a reply to the comment below.

**\*\*Personal note:\*\*** I'm so sorry this is a full week behind schedule. I had a wedding last weekend and then ended up taking a full week away from the internet/reddit to just recover a bit. I'll try to be more on time next book :)