

Title: Book Club - Why Stocks Go Up and Down - Chapters 7-9 Discussion

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Happy Saturday, friends! It's time for our weekly 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 read the first 3 chapters of Part 2. These chapters are:

\* CHAPTER 7: FINANCING GROWTH: SELLING NEW STOCK VS. SELLING NEW BONDS - We see how a company wishing to raise new money chooses between a stock offering, which may dilute earnings, and a bond offering, which will lower earnings as a result of the higher interest expense.

\* CHAPTER 8: BONDS - A bond is basically a loan. There are differences between bonds that affect their value to investors. The difference between coupon yield, current yield, and yield to maturity is presented. An understanding of bond priorities and ratings, and other features, will help investors distinguish among bonds as investments.

\* CHAPTER 9: WHY BONDS GO UP AND DOWN - Bond prices and yields respond to changes in prevailing interest rates and changes in issuer creditworthiness. We look at the U.S. Treasury yield curve, and other yield curves. The spread between yield curves will help determine when bond prices are high or low.

For next week, be sure to read chapters 10-13 to finish out Part 2 - Securities Other than Common Stock: Bonds, Preferred Stock, and Hybrid Securities.

You can find the previous discussions below:

\* [Chapters 1-3 Discussion]([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 Discussion]([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))

#### # Discussion Schedule

Discussion threads will be posted every Saturday based on the schedule below. Prompts will be provided to kick start our weekend discussions!

Discussion Date	Part	Chapters
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August 14 <sup>(th)</sup>	Part 1	Chapters 1-3
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August 21 <sup>(st)</sup>	Part 1	Chapters 4-6
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August 28 <sup>(th)</sup>	Part 2	Chapters 7-9
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September 4 <sup>(th)</sup>	Part 2	Chapters 10-13
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September 11 <sup>(th)</sup>	Part 3	Chapters 14-15
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September 18 <sup>(th)</sup>	Part 3	Chapters 16-17
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September 25 <sup>(th)</sup>	Part 4	Chapters 18-19
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On September 25<sup>(th)</sup> voting will begin on selections for the next book which will be announced October 2<sup>(nd)</sup> along with a new schedule of discussions beginning October 9<sup>(th)</sup>.

#### # Notification Opt In

I'm currently working on a bot to notify anyone who is interested in participating in the weekly book club discussions. The notifications will be purely opt-in with the option to opt out at any time and messages will go out through DM each week when the discussion is posted.

Since the bot isn't quite ready yet, please respond to the comment below if you'd like a notification when the next discussion thread is posted on September 4<sup>th</sup>).

#### # 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.