

M Hello everyone and welcome back to EnglishPod. My name is Marco

C My name is Catherine. And today we've got an upper intermediate level lesson for you, all about money.

M That's right. We're going to talk about the stock market, so a very interesting topic, very current as well because - well throughout the world - stock markets are not doing very well.

C That's right. And you may have seen on the television a lot of information about this. So today we're going to hopefully explain some of the things and phrases and words that you've been hearing. But first you've got a couple of important indicators, a couple of acronyms actually that you are gonna hear about. So let's look at those in today's "vocabulary preview"

Voice: Vocabulary preview

M All right. So the first word that we have on "vocabulary preview" is the **NASDAQ**. NASDAQ.

C NASDAQ. N.. A.. S.. D.. A.. Q... So this is basically the American stock market.

M Right. It's an acronym. And now it's a really really long acronym, so we're not going to get in to it. But it is basically the American stock market where all these companies are trading stock. Publicly trading companies. (Comment: NASDAQ = National Association of Securities Dealers Automated Quotation)

C Right. So Publicly trading companies eh you're basically trading their stocks through NASDAQ.

M Right. Ahem, and now the next one that we have is eh an indicator that.. which tells us how well some companies or some stocks are doing, and that's the **Dow Jones** indicator.

C **Dow Jones** indicator. So, eh maybe if the Dow Jones is really low for something, we think "hey it's not doing so well". If it goes up, things are improving.

M Right. So usually the Dow Jones has eh.. is based upon the fifty (comment: I hear *fifteen 1:39*) biggest companies in the United States. The fifty biggest publicly trading companies. Now you can divide it into like eh industrial companies, or pharmaceutical companies etcetera, but in general that's the indicator and how it works.

C Okay. So let's take a listen to today's dialogue and find out how these words are used in context. And we'll back in a moment to talk about what's going on.

Dialogue first time 1:55- 3:00

M All right we're back. So a lot of interesting words there. I think a lot of them were very specific to the stock market and very eh maybe a little bit difficult. So why don't we take a look at a couple of those in "language takeaway"

Voice: Language takeaway

C Okay. So the first word is a very important word in banking, and finance, we talk about

portfolios a lot. So **Portfolio**.

M Right. So basically a portfolio is the variety of things that you own. E.g. in the stock market it could be stocks, it could be bonds, it can be mutual funds, etcetera. Or e.g. if you are a company your product portfolio could be all the products that your company owns.

C That's right. So in this case our portfolio is worth half of what it was a week ago. And so this is this is a sentence that means: oh we've lost half of the money we invested. All of our investments are in the portfolio. We talk about them as a portfolio, and when we lose money we mean ..our port .. we say our portfolio is worth less now than it was before.

M Exactly. And well moving on, he starts to talk about the **bull market** and the **bear market**. So what is this, what is this all about?

C Well, a bull is an animal with horns. And a bear is another animal. So, we're not talking about animals here, we're talking about special finance phrases.

B Right. So the **bull market** would be a.. again, talking about companies and trading. It will be maybe a market that's growing very rapidly, that's very very strong. That's a bull market.

C So people often talk about China's bull market. Right. .. China continuously to grow and grow and grow and grow. Eh but a market that slows down, like the United States last year, would be a **bear market**.

M Right. So think of a bear, maybe it's sleeping it goes eh into hibernation, that's a bear market. So a slow market, it's not really growing.

C Very good. But talking about a portfolio again, we might have stocks, but in this case the two people are talking about their bonds. So he says: you still have some **high yield trash bonds** and government bonds. What is a high yield bond, and what is a trash bond.

M Okay, so when we think about the word yield, is how much it gives, right. So how much we are getting from it. So something that is high yield, means that you're getting a lot from it.

C E.g. this orange tree yields 300 oranges per year. That's how much we get from it.

M Exactly. So we're getting 300 oranges. That's how much it's yielding. And eh so basically that's what yield means. So when we talk about trash bonds, this on the other hand it's a ..it's a word that's maybe a little bit tricky but a bond is a promise that you get from the seller that he's going to pay you back the money that you give him with interest. Right. But a trash bond is a very risky bond that means that the seller might not pay you back because, you know, he's still trying to get all the money.

C All right. But a high yield trash bond means that you might make a lot of money from this bond unless of course, it's not very dependable. It's risky.

M Exactly. So. Of course. Since it's riskier it has more yield.

C Great. So high yield trash bonds. And what about this: they will give us **liquidity**. ~~It caused??? 6:17~~ to cut our losses. Liquidity. We hear all about liquidity in.. in finance.

M Exactly. Maybe in your company the accountant will talk about this. And that's basically

just to have money cash, in hand. So you have money to pay things, or to buy things. Right. Not ..

C OK, so it's ~~???~~ **6:34** available.
it's available.

M Available. Yeah. Not (~~???~~) with credit. The opposite of credit.

C Okay, liquidity. And finally, instead, what are we going to do. Let's think outside the box, we could reinvest in an emerging market.

M And this is a very hot topic lately, talking about **emerging markets**. So to emerge means to come up right, to rise.

C Yeah, to come out. So, it's almost like a new or growing markets. So in this case, a market, an emerging market would be a e.g. the South East Asian market which is growing quickly, or even you could say West African market. We're talking about places in the world that aren't established, they're not all independable. They are new and exciting.

M Right, so they are coming up. So that's an emerging market. So a lot of very interesting words and phrases, they're very related to our topic, and so why don't we move on now, let's take a look at two key phrases on eh "fluency builder"

Voice: Fluency builder

C This first phrase is something we've heard a lot about in the last year or two, with things not going so well in the world of finance. The first one here we go: **to cut our losses**.

M Okay. So let's cut our losses. So eh, when you're talking about cutting your losses, that means to try and stop losing money somehow. Maybe sell early.

C That's right. So in this case we're losing money. Let's stop now. Let's stop everything. Cut our losses, that means: cut them away, forget about them, throw them away, and start again. Okay. So we could say: eh my business is failing. I'm going to cut my losses, sell the business and start again.

M Right. That's exactly so. So "to cut your losses" means to stop doing something, maybe sell it, and stop losing money.

C Basically you accept the fact that you've lost it. You can't get it back, *and you* ~~2-8:25~~ Start again.

M Ahem. So when they were talking about investing in emerging markets, he said: well maybe we could do this and eh that would force us **to think outside the box**.

C Okay, this is a great phrase and you might hear this in meetings a lot, or from your manager. What's going on here is, these two people are talking about how they lost a lot of money. The economy is bad and they've been doing things in a normal way for a long time. It's not working. Let's think outside the box. That means: let's be creative. Let's try and discover new ways of doing things that will yield positive results.

M That's right. This is a very very common phrase. Very widely used in business or when

you're talking about ideas is, people tell you to think outside the box. To maybe break some other rules right.

C Right. Don't just think the way that you always do, don't do the same thing over and over. Do something new, be creative, come up with something great. So let's thinking outside the box.

M Right, very good so a lot of great phrases there, I think we've learned quite a bit. Why don't we listen to the dialogue one last time, and we'll be back to talk a little bit more about this very interesting topic.

Dialogue second time 9:30- 10:35

C So, I remember being a little kid and watching TV with my parents and on the news there was always the business segment and this .. you always hear: The NASDAQ is down 10 ??? points , the Dow Jones industrial today is down 10 points, yesterday was up two ~~at an average to age?? eight?? 10:56~~. that's an average of eight Okay eh

M Yeah eh, it's very complicated, especially if you take a look also in the newspapers. Sometimes it shows you different compa... publicly trading companies and has a bunch of numbers. It's a very interesting topic, it's.. it's almost a science, I think.

C Very much a science. And some people have made a lot of money, playing, we say playing the stock market and eh and trying to you know, buy stocks when they're low, waiting until they're high, sell them off, and make ~~turns??? 11:26~~ tons [of money].

M Yeah it's eh it's pretty much analyzing risks. So making calculated decisions, and that's why they use all these formula's and all these different ratios, and ways to ponder how much they should invest. So what would they gain, and eh so it's very very interesting. Many people compare it to gambling, but eh this .. it's kind of like a gambling, but not really because you don't really depend on luck. You kinda make calculated decisions.

C And sometimes you're trading for big big companies or even parts of big markets, like part of entire countries.

M Yeah. A lot of people e.g. stock brokers will invest. Eh a group of worker's retirement funds: They will take those funds and will like hey, your maybe getting 5% from the bank from .. for keeping your money there. Give me the money and I'll give you 25% yield on your investments. So, eh that and so obviously they're playing not only the reputation, but also with other peoples like savings.

C And that's why a lot of people lost money when two years ago eh the bubble really burst with a lot.. in a lot of areas like real state , stock prices went down, the United States went into a recession and all these people's retirement funds, their savings: they lost it. And so you gotta be careful with this kinda stuff, do your homework. That's about it for us today, hope that you've enjoyed this lesson. If you have questions or comments, please do visit us our website EnglishPod.com.

M All right, we'll see everyone there.

C,M Bye.