THE LARGE CAPS

VINCENT DIFRANCESCO, ZACK STREIT, SHAAN DAHAR
8th Grade Team
Cincinnati Country Day School

TEACHER
MRS. LEWIS
8TH GRADE
MATH
FALL GAME – 1ST PLACE IN REGION
- 10 WEEKS: $115,467

SPRING GAME – 1ST PLACE IN REGION
AND IN STATE
- 10 WEEKS: $111,146
STOCK EXCHANGES

• Over 100 Worldwide:
  • NYSE
  • NASDAQ
  • AMEX

STOCK INDICES

• Many Stock Indices – Global and National
  • DOW JONES Industrial Average
  • S&P 500
NEW YORK STOCK EXCHANGE

- Based in New York
- Merged with the European exchange in 2007
- Now the NYSE Euronext
- Still use outcry system for floor trading
- Electronic trading
- Comprised of some of the world’s biggest companies
- Foreign companies can list shares if they comply with listing standards
RULES OF THE SMG

• 10 week period
• $100,000
• Stocks, bonds, mutual funds
• Buy, Sell, or Short Sell
• 1% commission
EQUAL ROLES

• We all recommended Stocks
• We independently looked for stocks
• Consulted about stocks together
• Decided investments as a Team
• Invested together
KEY TERMINOLOGY

• Price per share
• Volume
• P/E ratio
• Dividend
• IPO
• Diversification
• Beta
• DOW Jones Industrial Average
• S&P 500 –
• Bull Market and Bear Market

Statue on Wall Street
STOCK CLASSIFICATIONS

• Small Cap Company
  • Less than $2 B
• Mid Cap Company
  • Between $2 B and $10 B
• Large Cap Company
  • $10 B +
BETA FACTORS

- Low Beta (i.e. 0.5)
  - Low gain or loss
  - Low risk level
- Betas of 1.0
  - Follow market
- High Beta (i.e. 2.0)
  - More risk
  - Market rise/fall
  - High beta exaggerates
OUR STRATEGY AND RESEARCH

• High Beta Stocks:
  • LNG (5.21)
  • CWEI (3.51)

• Low Beta Stocks:
  • AMZN (0.79)

• Medium Beta Stocks:
  • WSM (1.29)

• Recommended Stocks from Top 50 Stocks to invest in:
  • NKE (0.7)
CLAYTON WILLIAMS ENERGY

- High Beta (3.51)
- Price Per Share: $53.53
- $53.53 x 300 shares = $16,983.15
- Small Cap $647.61 M
- Sector – Basic Materials
- Industry - Independent Oil and Gas
CLAYTON WILLIAMS ENERGY

\[ \frac{81.26 - 56.61}{56.61} \times 100 = 43.54\% \]
CHENIERE ENERGY, INC.

- **High Beta (5.21)**
- Price per share: $35.56
- $35.56 x 300 shares = 10,668.63
- Large Cap 10.64B
- Sector – Basic Materials
- Industry – Oil and Gas Pipelines
CHENIERE ENERGY, INC.
PERFORMANCE

\[
\frac{40.93 - 35.56}{35.56} \times 100 = 15.1\%
\]
WILLIAMS SONOMA, INC.

- **Medium Beta (1.29)**
- Price per share: $55.08
- $55.08 x 300 shares = $16,524
- Mid Cap - 5.24B
- Sector – Services
- Industry – Home Furnishings
WILLIAM SONOMA INC. PERFORMANCE

\[
\frac{(58.22 - 55.08)}{55.08} \times 100 = 5.7\%
\]
AMAZON (AMZN)

• **Low Beta (0.79)**
• Price Per Share: $318.03
• $318.03 x 100 shares = $31,802.78
• Large Cap 143.81 B
• Sector – Services
• Industry - Catalogue and Mail Order Houses
AMAZON.COM PERFORMANCE

\[
\frac{($384.24 - $318.03)}{$318.03 \times 100} = 20.82\%
\]
NIKE (NKE)

- **Low Beta (0.7)**
- Price Per Share: $71.64
- $71.64 X 300 shares = $21,429
- Large Cap 66.8 B
- Sector: Consumer Goods
- Industry: Textile – Apparel Footwear and Accessories
NIKE PERFORMANCE

\[
\frac{76.40 - 72.47}{72.47} \times 100 = 5.42\%
\]
RESOURCES

• MSN Money
• YAHOO! Finance
• The Motley Fool
• Investopedia
# Final Earnings Fall Game

## 10 Weeks: $115,467

<table>
<thead>
<tr>
<th>Ticker</th>
<th>Position</th>
<th>Shares or $Value</th>
<th>Last Trade Date</th>
<th>Net Cost per Share or $100</th>
<th>Net Cost</th>
<th>Current Price per Share or $100</th>
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<tbody>
<tr>
<td>AMZN</td>
<td>Long</td>
<td>100</td>
<td>2013-10-07</td>
<td>$318.03</td>
<td>$31,802.78</td>
<td>$384.24</td>
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<tr>
<td>CWEI</td>
<td>Long</td>
<td>300</td>
<td>2013-10-07</td>
<td>$56.61</td>
<td>$16,983.15</td>
<td>$81.26</td>
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<tr>
<td>LNG</td>
<td>Long</td>
<td>300</td>
<td>2013-10-07</td>
<td>$35.56</td>
<td>$10,668.63</td>
<td>$40.93</td>
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<tr>
<td>NKE</td>
<td>Long</td>
<td>300</td>
<td>2013-10-07</td>
<td>$72.47</td>
<td>$21,740.25</td>
<td>$76.40</td>
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<tr>
<td>WSM</td>
<td>Long</td>
<td>300</td>
<td>2013-10-07</td>
<td>$55.08</td>
<td>$16,522.59</td>
<td>$58.22</td>
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</tbody>
</table>

**Total Net Cost** $97,717.40  
**Total Current Value** $115,467.00  
**Total Unrealized Gains Losses** $17,749.60  
**Total % Unrealized Gains Losses** 18.16%
SPRING STOCK MARKET GAME

- Similar Strategy
  - CWEI
  - LNG
  - ISRL – sold
  - FB
  - WSM – sold
  - AMZN – sold
# Final Earnings for Spring Game

10 Weeks: **$111,146**

1st Place in State

<table>
<thead>
<tr>
<th>TICKER</th>
<th>Position</th>
<th>Shares or $Value</th>
<th>Last Trade Date</th>
<th>Net Cost per Share or $100</th>
<th>Net Cost</th>
<th>Current Price per Share or $100</th>
<th>Current Value</th>
<th>Unrealized Gains Losses</th>
<th>% Unrealized Gains Losses</th>
<th>Option</th>
</tr>
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<tbody>
<tr>
<td>CWEI</td>
<td>Long</td>
<td>150</td>
<td>2014-04-25</td>
<td>$142.69</td>
<td>$21,403.62</td>
<td>$144.59</td>
<td>$21,688.50</td>
<td>$284.88</td>
<td>1.33 %</td>
<td>Trade</td>
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<tr>
<td>CWEI</td>
<td>Long</td>
<td>210</td>
<td>2014-02-26</td>
<td>$97.97</td>
<td>$20,573.70</td>
<td>$144.59</td>
<td>$30,363.90</td>
<td>$9,790.20</td>
<td>47.59 %</td>
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<td>ETP</td>
<td>Long</td>
<td>300</td>
<td>2014-02-20</td>
<td>$54.12</td>
<td>$16,234.74</td>
<td>$55.80</td>
<td>$16,740.00</td>
<td>$505.26</td>
<td>3.11 %</td>
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<td>FB</td>
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<td>140</td>
<td>2014-02-24</td>
<td>$71.38</td>
<td>$9,992.74</td>
<td>$57.71</td>
<td>$8,079.40</td>
<td>(1,913.34)</td>
<td>-19.15 %</td>
<td>Trade</td>
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<tr>
<td>LNG</td>
<td>Long</td>
<td>190</td>
<td>2014-04-17</td>
<td>$55.29</td>
<td>$10,504.61</td>
<td>$56.18</td>
<td>$10,674.20</td>
<td>$169.59</td>
<td>1.61 %</td>
<td>Trade</td>
</tr>
<tr>
<td>LNG</td>
<td>Long</td>
<td>215</td>
<td>2014-02-26</td>
<td>$50.35</td>
<td>$10,824.93</td>
<td>$56.18</td>
<td>$12,078.70</td>
<td>$1,253.77</td>
<td>11.58 %</td>
<td>Trade</td>
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</tbody>
</table>

- **Total Net Cost**: $89,534.34
- **Total Unrealized Gains Losses**: $10,090.36
- **Total Current Value**: $99,624.70
- **Total % Unrealized Gains Losses**: 11.27 %
WHAT WE LEARNED

• High/Low Beta Stocks
• Diversify Portfolio
• Holiday Season
• Perspective of the Consumer
• Predict gain/loss
• Analyze Stocks
• Invested Strategically
THANK YOU!

UC CENTER FOR ECONOMIC EDUCATION

STOCK MARKET GAME INTERNATIONAL SIFMA
(SECURITIES INDUSTRIES AND FINANCIAL MARKETS ASSOCIATION)

CINCINNATI COUNTRY DAY SCHOOL
MRS. LEWIS
STOCK MARKET GAME
TEAM
Vincent DiFrancesco
Zack Streit
Shaan DaHar