The Bullish Boys

Indian Hill Elementary Fifth Grade
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“Know what you own, and know why you own it.”
Peter Lynch
Stock Market Terminology

- Equities
- EPS (Earnings Per Share)
- P/E Ratio (Price to Earnings)
- Bull
- Bear
- “Buy low, sell high”
- Diversification
- Margin
What is P/E?

• P/E ratio is the comparison of a company’s stock price to the earnings per share.

• It's useful to compare the P/E ratios of one company to other companies in the same industry, to the market in general or against the company's own historical P/E.

• Low P/E companies have higher relative value but high P/E companies signal that investors believe earnings will increase in those companies.
1 week later........
Diversification

- Diversification is a technique that reduces risk by allocating investments among various industries and financial instruments.
- It aims to maximize return by investing in different areas that would each react differently to the same event.
- Although it does not guarantee against loss, diversification is an important component of reaching long-range financial goals while minimizing risk.
Margin

• Buying on margin is borrowing money from a broker to purchase stock.
• It is like a loan from a brokerage.
• Margin trading allows us to buy more stock than we would be able to normally.
• Margin works well if our stocks are increasing in value, but not if our stocks decrease in value.
Our Process

• Researched and bought stocks with low P/E ratios in diversified sectors.
• Made sure there was a reasonable amount of shares based upon price and value of overall portfolio.
• Bought on margin because of short 10-week time period and belief in a bullish market.
Invested in Diversified Portfolio

- Apple-80 shares
- Amazon-120 shares
- Tesla-100 shares
- PICO-100 shares
- JP Morgan-100 shares
- Celgene-120 shares
- Thermo-Fischer Scientific-100 shares
- Exxon for short period
- Walmart for short period
Weekly Review

• Each week we checked our stocks in class and at home.
• Based upon what we saw we made a spread sheet including price changes.
• In class we graphed our ranking and Total Equity.
• Read the Wall Street Journal and Barron’s for investment ideas.
10 weeks later........
Total Return 15% in 10 Weeks

INVESTMENT PORTFOLIO TOTAL RETURN

OCTOBER

NOVEMBER

DECEMBER
The Bullish Boys:

#1 in State of Ohio Stock Market Game for Elementary!
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