

Week #6 – Continuing Chapter 5, Introduction to Stocks

Hello, Everyone. How are you enjoying chapter 5, *Introduction to Stocks*? Have you viewed the chapter 5 presentations? Have you viewed the ancillary presentation on using Yahoo! to research stocks? Have you visited Yahoo! or Bloomberg.com or Marketwatch.com any other online resource and researched any of the information that is needed for the chapter 5 assignment? Have you viewed the discussion of the *Casas de Cambio* money exchange stores in San Ysidro and Tijuana as well as the usual handouts / assignments / worksheets downloads? Are you viewing and listening to the presentations as you commute to and from work or school? (You Apple mobile users can download the presentations from iTunes.) There is much to learn. You will need to do some serious studying. Please make sure you understand the terms on the handout and the material in the presentation. **Review the material every day.** This is the key to long-term retention of the material. I hope and wish all of you will have a great time studying stocks. Stocks are very exciting and they are certainly my favorite type of investment and my favorite topic in our course.

A Big Thank You! to one of our students who submitted an adorable graphic of a stock certificate that she bought as a gift for her husband. Unlike the other two stock certificates on the class web page, her certificate is still valid. She could bring it to her broker and have it changed to electronic form. (This is what her broker would want her to do. These days, brokerage firms hate to handle stock certificates and want all stocks, bonds, and other securities in electronic form. In the days before everything was computerized, having your stocks held at your brokerage firm was called holding your stocks in “street name.” Now it is rare that investors hold stock certificates. Virtually all stocks are held by brokerage firms in electronic form. Hence, you very rarely hear the term “street name” anymore.) She could actually sell it to someone else by endorsing (signing) the back of the certificate and signing over to that person (just as you can endorse a check made out to you to someone else). However, this type of transaction is very, very rare these days. As you can see from the way she has framed the stock certificate, it is unlikely that the certificate will ever be anything other than a loving gift to her husband hanging on their living room wall. Thanks, again, Dear Student!

Remember that you can always submit assignments even if they are late. There will be a penalty but it is worth your while to submit your assignments as soon as you can. The penalty grows as time goes by. The chapter 5 stock assignments are actually very easy once you get started.

Please check our *Sample Portfolio Snapshot* in the chapter 1 section of the class web site. We are down 3% since the beginning of the semester. The one stock that we accidentally put into our portfolio, Dupont, is the only stock that has not lost money! Bizarre, huh?

Next week, we will cover chapter 6, Stock Valuation, the very heart of our course! Please be ready to stretch your brain.

Don't Give Up! **Never** Give Up!

Sincerely,

Frank Paiano

P.S. Please study chapter 5, *Introduction to Stocks*, very hard. Study an hour a day or more and bring honor and glory to Southwestern Community College! When you succeed, we succeed. We want you to succeed!