

Week #15 – Investing *Speculating* with Options and Futures

Here we are at the beginning of week #15 and the semester is quickly coming to a close. We only have three weeks of instruction left! Do you believe that you are getting an education about investments? I hope so! With bonds, asset allocation, and exam #4 behind us, it is time to get serious about *learning* about options, chapter 15, and futures, chapter 14. (Notice that I did not say anything about actually *investing* in options and futures. They are not investments; they are *speculations*. And we all know that *speculation* is just a fancy term for **gambling**, right? Think: Instruction *about* syphilis is not an instruction to *acquire* syphilis. The same is true for options and futures. Just because you are taking an introduction to investments class and you need to know and understand these “weapons of mass financial destruction¹” does not mean you should ever throw any money at them. Okay, this is the end of my personal rant. My apologies. Please know that we want you all to be very, very successful investors. To steal from the cigarette warnings, options and futures are dangerous to your financial health.)

The chapter 10 and chapter 18 assignments were due on Saturday. (Note: The chapter 18 assignment is the easiest 5 points you will earn all semester long. Take the ten minutes needed to do it, okay?) The chapter 11 assignment is due this Saturday. Please submit any late assignments that you have as soon as possible. Also, just in case you did not know, Blackboard allows the instructor to add feedback comments for your assignments. Please take a look at them. You might be able to resubmit your assignment for further credit.

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

Sincerely,

Frank Paiano

P.S. Get started on *learning* about options and futures. (But please don't ever *speculate* in options and futures, okay? We want you to make money, not lose it.) Our next exam is the final exam during the last week of the semester. We will discuss the final exam in detail soon. In the meantime, submit those late assignments! What are you waiting for?! *Get to work!*

¹ “Weapons of Mass Financial Destruction” was coined by Warren Buffet to describe his thoughts on derivatives. He coined this term, by the way, before the financial world was rocked by the mortgage meltdown in 2008. Mr. Buffet is a very shrewd man.