

## Stock Market Research on the Internet

1. You can go to individual company websites to find out information about a company.

A. For example, go to [www.gapinc.com](http://www.gapinc.com) What other brand names or products does Gap produce?

If you wanted to invest in any of those products/brands, you'd invest in Gap.

B. Go to [www.mattel.com](http://www.mattel.com) What other brand names or products does Mattel produce?

If you wanted to invest in any of those products/brands, you'd invest in Mattel.

2. Probably the most useful site for stock investing is [www.yahoo.com](http://www.yahoo.com). Go there and then select "Finance."

A. Finding the company. If you know the ticker symbol of a company you're interested in, you can type it in here. If you do not, put your cursor in the box next to "Get Quotes". Type in the company name and a list of possibilities shows up. Select the one you want.

B. Let's practice on a company everyone's heard of, Disney (the entertainment / broadcasting company). Go there and then find the following:

Current price (last trade)..... \_\_\_\_\_

52 week range (high) ..... \_\_\_\_\_

52 week range (low) ..... \_\_\_\_\_

# of shares traded on last trade day (volume)..... \_\_\_\_\_

Dividend (amount paid out per share) ..... \_\_\_\_\_

Yield (% return for the year) ..... \_\_\_\_\_

P/E ratio (price to earnings ratio) ..... \_\_\_\_\_

Look at the chart on the right. Click on 1 day, 5 day, 3 months, 6 months, 1 year, 2 year and 5 year options. You can see how the price of the stock has fluctuated over those time periods. Try to get a sense if the price is stable, on an upward trend, a downward trend. What should you be looking for in the 10 week Stock Market Experience (SME)?

On the left of the Yahoo Finance screen for Disney, click on "Basic Chart." You can compare Disney's performance to three major stock indexes, the S&P 500, the DOW and NASDAQ. How has Disney performed compared to each of those stock averages?

Disney v. the S&P 500

Disney v. the Dow

Disney v. NASDAQ

On the left of the Yahoo Finance screen for Disney, click on “Historical Prices.” Trace how the price of the stock has fluctuated over time.

On the left of Yahoo Finance screen for Disney, click on “Headlines.” These are all the news headlines that featured Disney Co. for some reason. Why might it be helpful to consult major news stories about a company you’re going to invest in?

On the left of the Yahoo Finance screen for Disney, click on “Profile.” This screen tells you what this company produces, how big it is, where it operates. It’s basic information about the company you need to know before investing in it.

On the left of the Yahoo Finance screen for Disney, click on “Industry.” A very valuable link! If you really like the idea of investing in the industry of broadcasting but aren’t sure Disney is the best company, for example, you can find here other companies that are in the same industry. Maybe one of them outperforms Disney. List at least two other companies that might be good alternatives to Disney.

On the left of the Yahoo Finance screen for Disney, click on “Analyst Opinion.” Here you’ll find the opinions of the so-called “financial experts.” They recommend here whether their clients should buy, sell, hold, or just stay neutral with a specific stock.

Now that you’re more familiar with how to find out information about stocks on the internet, it’s time to search for companies you may want to invest in in the SMG.

#### **Reminders and advice about the SME:**

1) You can only invest in companies valued at over \$5.00 per share. Trading is in real time, as you make the transaction online. BUT, there is no day trading. You may not buy and sell a stock in the same day

2) Check out those charts and the info in Yahoo Finance. Look for upward trends, headlines, analysts’ opinions. Always know what the company does (“profile”) before investing. And compare the company you’re interested in to others in the industry (“Industry”).

3) You’ll have \$100,000 to invest. But you can also borrow up to \$100,000 more. Do it! Investing close to the entire \$200,000 gives you the best chance to compete in the SME with the highest gains. Students who leave lots of cash on the sideline rarely do well. Do some research and dive in! Think BIG!

4) Try to avoid the temptation to buy, then sell, then buy, then sell and then buy some more. Over short periods of time Make good choices from the onset and then hang on for the ride. Those who become frustrated with a stock’s performance and continually buy and sell usually perform miserably in the SME.