

The Stock Market Game™



Week In Review

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Dear Teachers and:

While your students may still be experiencing their Halloween sugar high, for those of us at the SIFMA Foundation for Investor Education, the big news of this past week was the SIFMA Annual Meeting in New York City. The current state of the economy was discussed by such power players as Timothy Geithner, Secretary of the U.S. Treasury, Jamie Dimon, Chairman and CEO of JP Morgan Chase & Co., and Mary Shapiro, Chairman of the U.S. Securities and Exchange Commission (SEC).

Shapiro launched the conference by speaking of the need to “restore investor confidence by focusing on the needs of investors” which is being addressed by a new area of the SEC – the department of “Risk Strategy and Financial Innovation.” Dimon pushed for the government to construct a reliable, systematic regulator to dismantle large financial institutions that are failing and threaten the global economy, but rejected the idea that any institution be deemed “too big to fail.” Geithner closed the conference with an interview with Charlie Rose and said while some early signs of stabilization in the economy are present, “more needs to be done to pull the economy out of the recession.” Among the things on his “to do” list include lowering unemployment, laying the foundation for renewed investment in education and healthcare, and fixing the broken regulatory framework for financial markets.

Thursday also marked the 80th anniversary of “Black Tuesday” or the crash of 1929. It was one of the biggest market crashes ever, and led to the beginning of the Great Depression. Fortunately many economists are confident we are on track for economic recovery and not verging on another depression. In fact, the Dow closed 200 points higher Thursday, posting its largest one-day percentage gain since July 15.

Another topic currently making headlines this past week and stressed at the SIFMA Conference is the resurgence of the overseas markets. Two concepts that may be of interest to your SMG students are ADRs and ETFs. What are they? When a company based overseas wants to sell shares of its stock to investors in the United States, it does so through American Depositary Receipts (ADRs), which are available on the major exchanges and through the SMG. International diversification is further enhanced through Exchange Traded Funds (ETFs). ETFs can track a particular index or sector and seeks to replicate its performance by owning the securities that make up the index or sector, no matter how broad or narrow a segment of the market it may be.

For additional information about ETFs, you can view the *Stock Talk* edition, “Emily & ETF.” The issue also explains how ETFs differ from mutual funds as well as introduces its readers to Spiders, Vipers, and Diamonds. The newsletter is accessible in the Publications section of the Teacher Support Center.

And finally, the SIFMA Foundation for Investor Education, the national provider of The Stock Market Game, has negotiated a discounted price for the Wall Street Journal Classroom Edition. Normally \$100 per school year, SMG teachers can get the WSJ Classroom Edition for \$79 by going to:

<http://www.wsjclassroom.com/sifma>. Also, you may want to check out the online version at <http://classroomedition.com/cre/>. It’s an excellent resource and a great companion to the program.

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