

# The Stock Market Game™



## Week In Review

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This week has been a mixed bag on Wall Street (but at least Girl Scout cookies have arrived to brighten the mood!). Stocks have risen modestly over the last two weeks as investors have struggled to balance expectations for a broader economic recovery with the reality of more modest signs of improvement. Through Thursday's close, the Dow had risen in eight of the last ten sessions, and the S&P 500 and Nasdaq composite have risen in nine of the last ten sessions. Stocks remained relatively neutral Friday as investors weighed a stronger-than-expected retail sales report, a weak dollar, and a weakened consumer sentiment.

According to a Commerce Department report released Friday morning, retail sales rose 0.3% last month. Since consumer spending is roughly two-thirds of the economy and retail sales comprise a significant amount of that, this is an important way to gauge how the economy may be going. Also released Friday was the Thomson Reuters/University of Michigan's consumer sentiment index which fell to 72.5 from 73.6 the previous month – a surprise to many analysts who expected a modest increase. This index, released monthly, surveys 500 households regarding their outlook for the economy and their financial condition/s. Consumer sentiment numbers are considered to follow the market – households may not have a positive outlook if job numbers are not strong. In general, if the retail sales data is confirmed by the consumer sentiment, it makes it clearer what consumers are thinking. If not, then it keeps the picture cloudy.

While your trading session may not have reached the half way mark, many of your Stock Market Game students may already be frustrated by the performance of some of their investment choices. Perhaps now is the time to introduce them to dividend paying stocks to ensure returns in a difficult market. According to Jeffrey Kleintop, chief market strategist for LPL Financial, "a focus on yield makes a lot of sense in a low-returning and volatile market place. Prices tend to go up and down, but you can at least count on getting that regular dividend payment each quarter." What's more, after the worst year on record for dividends since 1955, Kleintop says companies are poised to raise or reinstate their dividends. As of March 1, 2010, 49 companies in the S&P 500 have increased or initiated a dividend this year, including Coca-Cola (NYSE: KO) and Tiffany (NYSE: TIF).

In terms of dividend payments in The Stock Market Game, to check whether or not a particular company offers a dividend payment, have the students enter a ticker symbol on the "Enter a Trade" page of the portfolio. Click "Validate Ticker." The company's stock quote will appear. If a dividend is paid, the payment will appear beside the "Dividend" column. The payment date will also be listed, but the students need to pay attention to the Ex. Date column, as this is the date by which the team must have owned the stock in order to receive the next dividend payment. For more information about dividends, please be sure to take a look at the "Dividend and Earnings" lesson under the *Lesson Sequence* 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 visiting: <https://services.wsj.com/Gryphon/jsp/retentionController.jsp?page=738&S=98AAACE>. 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.

Have a great week!