

The Stock Market Game™



Week In Review

May 21, 2010

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Valedictory Edition Stocks rebounded this morning after a tumultuous week on the Street. Many investors felt today that yesterday's 376 point tumble on the [Dow](#) represented a buying opportunity and the rally was being led by the big banks, despite financial regulatory reform having cleared a huge hurdle by being [passed in the Senate](#) yesterday. As many of us will remember from [Schoolhouse Rock](#), the House and Senate bills sitting there on Capitol Hill will be reconciled and then sent to the President for his signature. Once signed, the bill becomes law.

While one would think the passage of a bill requiring Wall Street regulation that will undoubtedly eat into banks' profits would hurt financial stocks, many investors were buying financials today because the uncertainty surrounding the new regulation was largely lifted. In other news this week, continuing worries about the Euro abounded and were the main cause of this week's correction. A [weaker Euro](#) will mean less U.S. exports and could negatively impact the U.S. recovery.

One of the main strengths of the Stock Market Game is that it allows students to see first hand how external events can affect our economy and our capital markets. For example, on April 22, 2010, the stock price of British Petroleum (BP) closed at \$59.55. After the [Deepwater Horizon](#) drilling rig exploded, sank and began to pump hundreds of thousands of gallons of crude oil into the Gulf of Mexico, the stock has moved steadily downward. BP closed yesterday at \$43.49 per share and will likely continue to fall until the oil well is capped. That's some pretty bad news for BP shareholders and a great lesson for students if they owned [BP stock](#), or even if they drive by a BP station, or their parents stop there to fill up at the pump. It demonstrates to them that the "economy" is not some abstract concept. They can see they are a part of it and that events that happen far from home like BP and the Euro crisis may impact their personal finances. In some cases, for students living on the Gulf Coast, or even the East Coast if the spill enters the Gulf Stream, their entire family's livelihood may be threatened.

That's no small economic impact and we hope that with SMG your students were able to gain a better understanding of these economic concepts and, as importantly, a better appreciation of how important it is to save and invest for the long term.

To reinforce many of the concepts learned through SMG there is a lesson in the [Teacher Support Center](#) entitled, "How Successful Was My Investment Strategy". You can access it through the Lesson Sequence link. Also, if you haven't yet considered the New York Stock Exchange's Teacher Workshop we hope you will [take a look](#). It's an engaging and enriching professional development experience that gets rave reviews from teachers all over the country. The deadline for registration is June 1, 2010.

We mentioned the strengths of the Stock Market Game earlier and we would be remiss not to mention our program's greatest strength – teachers. Without you SMG is not possible and we sincerely thank you for bringing the SMG into your classroom. We also hope that you will return next year and tell other teachers about the educational value of the Stock Market Game.