

THE CENTER FOR ECONOMIC EDUCATION AT BLACK HILLS STATE UNIVERSITY, THE SECURITIES INDUSTRY AND FINANCIAL MARKETS ASSOCIATION (SIFMA) AND THE SOUTH DAKOTA COUNCIL ON ECONOMIC EDUCATION PRESENT:

The South Dakota Stock Market Game (SDSMG)

Team/Teacher log in page: <http://www.stockmarketgame.org>

Spring 2018 Trading Session: February 5 to April 20

Coordinator Welcome Newsletter #1

Welcome to the Spring 2018 session of the South Dakota Stock Market Game. The Spring session starts on Monday, February 5 at 7:30 am MST and 8:30 am CST and team accounts will be activated to trade at that time. Trades made after the close of trading (2:00 pm MST and 3:00 pm CST) will be processed at the start of the next trading day. I suggest that you invest on the first day as the biggest market moves (either up or down) usually happen unexpectedly so you must be in the market to participate. Studies have shown that trying to “time the market” is a failed strategy.

At this time, we have 165 teams with 373 students from 21 schools participating in the following Divisions:

Division	Teams	Students	Schools
High School	121	266	17
Middle School	29	92	4
College	15	15	1
Total	165	373	21

I will email teachers **Coordinator Newsletters** like this one on the following dates:

Newsletter emailed at end of trading week	date
1	Feb 10
3	Feb 24
5	Mar 17
7	Mar 31
10	Apr 20

The newsletter is organized as follows:

- **Coordinator Comments:** This is my re-cap of the stock market’s performance in the prior week and the economic and financial

explanations for this performance to enhance student critical thinking and deductive reasoning.

- **Major Market Indices Return on Investment:** This table will compare the Return on Investment (ROI) for Hypothetical \$ 100,000 portfolios invested solely in the Dow Jones Industrial Average (Dow), the Nasdaq Composite Index (Nasdaq) and the Standard & Poor's 500 Index (S & P).

Index	Reading at Feb 5 (open)	Reading at Apr 20 (close)	Up or Down %	Index Portfolio Value *
Dow Jones Industrial Average				\$ 100,000
Nasdaq Composite				\$ 100,000
Standard & Poor's 500 Index				\$ 100,000

\* Hypothetical \$ 100,000 investment in each Index at start of game, including the 1 % commission charged to teams when buying or selling stocks.

- **Top Teams in Each Division:** I list the top team portfolios in the High School, Middle School and College divisions. The top teams at the end of the 10 week trading period earn cash prizes.
- **Economic News last week:** A re-cap of the major economic reports released last week and how it affected the stock markets.
- **Economic News next week:** A list of major economic reports to be released in the upcoming week that may impact the stock markets.
- **Classroom Discussion Question:** A thought provoking discussion question poised to stimulate classroom discussion and to obtain a deeper understanding of the stock markets, the economy and personal finance.

Please take advantage of the free one-hour teaching training webinars on a variety of topics for new and veteran SMG teachers. The URL's and the dates and times of the webinars are listed on your Teacher Welcome letter.

**Newer SMG rules** (please remind your teams!)

1. Maximum equity position limit is \$ 30,000. This means you can only invest a maximum of \$ 30,000 in one company. If you try to buy more than this maximum, teams will receive an error message "position limit exceeded."
2. The minimum price of a stock to purchase must be at least \$ 3.00 a share.

3. The minimum number of shares to buy is 10 shares.
4. The margin line of credit is \$ 50,000. This means that in addition to your initial \$ 100,000 in cash, teams may borrow an additional \$ 50,000. Teams will be charged 7 % simple interest on the margin loan.
5. Trades submitted after the close of trading hours will be executed at the opening of the next trading day.

### How to Get Started

Log into [www.stockmarketgame.org](http://www.stockmarketgame.org) and input your team user name and password. You are automatically logged out after 5 minutes of inactivity. You must log back in with your username/password after 5 minutes of inactivity.

When you are logged into the Home (Landing) Page, scroll over the Trade link and click on Enter a Trade.

Enter a Trade: Used for all buying and selling of stocks, bonds and mutual funds. For Stock Trades, you must have the ticker symbol ready and the number of shares to buy/sell. Click on the “buy” button and select “Market” Order Type. A market order buys or sells the shares immediately while “Limit” orders are not immediate and must wait for the limit price to hit in order to execute the trade. For this reason, I do not recommend limit orders as they expire at the end of each trading day. You must Preview and Confirm your trade by re-entering your Password. You will receive a Confirmation screen with a trade confirmation number. Print out this confirmation as proof of your trade.

For example, let’s assume you plan to purchase 4 stocks at \$ 25,000 per position:

Company	Ticker Symbol	Total Dollar Position	Hypothetical Price	Number of Shares = Dollars divided by Price (round down to whole number)
Microsoft	MSFT	\$ 25,000	\$ 40.83	612 shares
Ebay, Inc	EBAY	\$ 25,000	\$ 53.47	467 shares
MDU Resources Group	MDU	\$ 25,000	\$ 22.62	1,105 shares
Alphabet (formerly Google)	GOOG	\$ 25,000	\$ 525.68	47 shares

On the Home Page, scroll over the Portfolio link and click on the Account Summary Analyzer:

- Account Summary This is a financial summary of your total portfolio including:
- Positive or Negative Cash balance: A black number is positive Cash balance, a red number is a negative cash balance or a Margin Loan balance.
  - Total Equity: This is your total portfolio value used in the Rankings.
  - Buying Power: This is how much you can still borrow (and purchase additional shares)
  - Interest and Dividends: A positive number is Interest Earned (0.75% on idle cash) and a negative number is Interest Expense (7% on margin loans). Note: You begin earning 0.75% interest when you complete your registration, although you cannot trade until the start of the game.
  - Fees and Commissions: Total amount of stock commissions paid (1%) on each buy and each sell.

On the Home Page, scroll over the Portfolio link and click on the Account Holdings Report:

Account Holdings Report: This screen shows your stocks unrealized gains or losses and lists each stock's Current Value – Cost Basis. When your Current Values is greater than your Cost Basis, you have an unrealized gain. Return on Investment Ratio: Divides the Total net equity gain or loss by the beginning \$ 100,000 investment. This ROI percentage is listed at the right side of the Account Holdings screen.

Rankings Report: Check your placement in the Divisional (High School, Middle School and College Divisions) and over-all state rankings. These rankings are updated at the end of each trading day.

If you have any questions, please email me at [donaltmyer@bhsu.edu](mailto:donaltmyer@bhsu.edu)

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