

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 Newsletter # 4 at March 9, end of trading Week 5

**Coordinator Comments**

We are at the half-way point of the ten week trading session and stock prices have recovered from the 10 % correction in early February. Students should be reminded to not panic and sell during a stock market correction but rather to be patient. This patience was rewarded as stock prices increased due to favorable economic and financial reports and gained back all of their losses from a month ago.

The markets shook off the news of President Trump's Tariff plan (25 % on imported steel and 10 % on imported aluminum) and bullish stock market sentiment has returned as over 75% of S & P 500 companies have reported 4<sup>th</sup> quarter revenue (sales) and earnings (profits) that have topped forecasts. A tariff is a tax on foreign goods imposed to protect certain domestic industries. Economists fear a global recession may result as foreign countries will impose their own reciprocal tariffs on US goods and services and global GDP will fall. The news that President Trump and Kim Jong Un will meet in the future eased geo-political tensions and bodes well for the stock markets.

Here are the three Major Market Indices and their respective Returns on Investment; Student teams should compare the Index Portfolio Values with their team's Total Equity Value. Professional investment managers receive bonuses if their stock picks beat the indices.

Index	Reading at Feb 5 (open)	Reading at Mar 9 (close)	Up or Down %	Index Portfolio Value *
Dow Jones Industrial Average	25,338	25,336	0 %	\$ 99,000
Nasdaq Composite	7,166	7,561	+ 5.5 %	\$ 104,500
Standard & Poor's 500 Index	2,741	2,787	+ 1.7 %	\$ 100,700

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

### Top Teams in Each Division

Here are the Top Teams in each Division at the end of Trading Week 5:

Division / Number of teams (n = 196)	Portfolio Value	School	Teacher or Student
High School / 142	\$ 111,961	Rapid City Stevens	Darren Paulsen
Middle School / 39	\$ 107,867	St Joseph's	Steven Rounds
College / 15	\$ 120,331	BHSU	Raven Jorgensen, Acct 480

### Economic News impacting the stock markets:

On Friday, the February Nonfarm payroll report was released and stocks rose on the good news as new jobs increased by 313,000 exceeding the 205,000 forecast. January and February new jobs were revised upward by 54,000. Will these newly created jobs trigger inflation? Average hourly earnings for February only rose 0.1 % versus the 0.2 % expected. This subdued wage growth tamped down inflation concerns and resulting Federal Reserve interest rate increases. Next week, February CPI and PPI reports will be released, giving investors an updated reading of price inflation.

### Classroom Discussion Question: Using the SMG program as a culminating classroom writing activity

I use the stock market game program in my Survey of Business and Advanced Accounting courses. The culminating event for this program is the final written report on the stocks in the team's portfolio. Students write about the performance of each stock in their portfolio and its overall performance versus the stock market indices.

Teams in the Middle School and High School divisions receive Free entry into the InvestWrite online essay content. Prizes are awarded in the state and national competitions. The writing topics for InvestWrite are directly related to concepts you will teach in the Stock Market Game which makes InvestWrite a great way to extend the classroom experience. The questions this semester are specifically designed to engage students with varying abilities in the SMG and a wide range of interests.

For the spring session, here are the list of essay questions by grade level:

**Background All Grades:**

You’ve researched many companies during your Stock Market Game classroom experience and have learned what makes them financially successful, such as great products and services, an excellent investment portfolio, and staying on top through innovation. Many things also make a company a great place to work, like treating employees well, having a great brand or culture, and supporting the community.

**4-5 Grade**

What company would be a great place for you to work someday and why? What advice would you give to their Investment Manager on investing in stocks, bonds and mutual funds so the company is still successful by the time you’re ready to work there? How do you think the Investment Manager can get the best financial results, while also protecting the investments from risk?

**6-8 Grade**

What company would be a great place for you to work someday and why? What advice would you give their current Investment Manager on investing in stocks, bonds and mutual funds for the best financial results, while also protecting from risk, so the company is still successful by the time you’re ready to work there? How would you recommend spending some of the money earned on these investments to help the company innovate and stay great?

**9-12 Grade**

What company would be a great place for you to work someday and why? What advice would you give their current Investment Manager on investing in stocks, bonds and mutual funds for the best financial results, while also protecting from risk, so the company is still successful by the time you’re ready to work there? What global or economic events could impact the company in the next 5-10 years and what changes in expenditures or investments could the company make to thrive and survive?

***Be sure to include your references.***

**www.investwrite.org**

**Free Teacher training webinars on InvestWrite**

***Note: All webinar times are listed as EASTERN TIME.***

- 1) **How to InvestWrite** (1hr) – learn how to utilize InvestWrite, our national and state-wide essay competition as a great culminating activity for the SMG program
- 2) **How to Submit Your Essays** (30 min) – learn how easy it is to submit your essays online

**Schedule**

Date	Time	Title	Registration Links
3/6	4:30PM ET	How to InvestWrite	<a href="https://attendee.gotowebinar.com/register/2909930479005155">https://attendee.gotowebinar.com/register/2909930479005155</a>

3/8	10:30AM ET	How to InvestWrite	<a href="https://attendee.gotowebinar.com/register/6666974905255290">https://attendee.gotowebinar.com/register/6666974905255290</a>
3/14	7:30PM ET	How to InvestWrite	<a href="https://attendee.gotowebinar.com/register/3428243558873663">https://attendee.gotowebinar.com/register/3428243558873663</a>
3/19	8:30PM ET	How to InvestWrite	<a href="https://attendee.gotowebinar.com/register/2104385379543000">https://attendee.gotowebinar.com/register/2104385379543000</a>
3/28	3:30PM ET	Submitting InvestWrite Essays	<a href="https://attendee.gotowebinar.com/register/3654598918172304">https://attendee.gotowebinar.com/register/3654598918172304</a>
3/29	10:30AM ET	Submitting InvestWrite Essays	<a href="https://attendee.gotowebinar.com/register/7215074854631901">https://attendee.gotowebinar.com/register/7215074854631901</a>
4/2	7:00PM ET	Submitting InvestWrite Essays	<a href="https://attendee.gotowebinar.com/register/7449812890580691">https://attendee.gotowebinar.com/register/7449812890580691</a>

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

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