

# The Croton Avenue Journal

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Volume I

Always Free

## Market News

17 investors have joined us so far for the 2021 OPL Fantasy Stock Market. The investors this year have picked Amazon (AMZN) as their favorite with 8 participants adding it to their portfolio. Amazon accounts for 10.8% of the OPL Market. By contrast Amazon is 4.4% of the S&P 500, meaning the OPL market is very bullish\* on the stock. Perennial favorite Apple (AAPL) is a second at 7.06%. Healthcare stocks, in particular pharmaceutical companies, saw a huge increase in popularity this year, likely due to COVID-19 dominating the news. Healthcare was historically less than 1.5% of the OPL market, but this year it jumped to 9.7%. Consumer staples also saw a big jump in interest as packaged food and household goods were popular this year. Energy and utilities, while never very popular in the market, had almost no interest at all this year. Restaurant stocks all but vanished from OPL Market portfolios with just one holding in McDonalds between our 18 investors. Consumer Discretionary and Technology still dominate the bulk of our investor's portfolios and our investor's success heavily relies on the Big Tech companies that take up 4 of the top 10 holdings.

*\*Bullish: Confidence that an investment will increase in value and outperform other options.*

## World News

57 senators voted to impeach former president Donald Trump, ten short of the number needed to convict. This number included all 50 Democrats as well as 7 Republicans, making it the most bipartisan impeachment vote ever. Impeachment is used to remove an elected official from office which wasn't needed as Donald Trump is no longer president, but a conviction would have also barred him from running for office again. With the trial done, the Senate's priorities will move to COVID-19 relief and stimulus. President Biden said he hoped for a package to be approved by the end of the month. Democrats are pushing for \$1400 in direct stimulus payments and a \$15 minimum wage as part of a \$1.9 trillion package.

COVID-19 continues to dominate world headlines. Vaccine distribution has increased over the last few months, but most Americans are still not eligible to receive them. Variants of the virus have surfaced and scientists hope the current vaccines will be effective against them.

Power outages and water shortages caused by severe winter weather plagued Texas last week, bringing into question whether the state's power grid is sustainable.

## **Finance News**

Foreign markets outperformed for the week as US markets saw losses, retreating from their all-time highs as treasury rates climbed. Markets have been at or near all-time highs every week so far in 2021. While many businesses have been hurt by the pandemic and many jobs have been lost, government stimulus has kept money in the economy and investors are still confident that stocks will be able to make good returns. Even disappointing unemployment data has not stopped the market gains.

The Game Stop saga went before congress this week, with a hedge fund manager, a market maker, a brokerage CEO, and a Redditer testifying. This was the biggest finance story of the year so far and if you'd like to know more about it, you're in luck! The Croton Avenue Journal will have this as a feature story in the coming weeks.

Tesla surprised investors by announcing that the company had purchased over a billion dollars worth of Bitcoin. It is a very unusual move for a non-financial company to make such a large investment in an asset not related to its business, particularly one as volatile as bitcoin. Tesla shares have slid more than 10% from their all-time high even though Bitcoin gained more than 7% on the week and more than 50% for the month.

## **Your Thoughts: Investor Interview**

Stay tuned for our first investor interview next week!

## Indexes and other Investments

As market close 2/19/2021

Name	Type	Value	Last Week	Δ%
S&P 500	US Large	3,906.71	3,934.83	-0.71%
Dow Jones Industrial Average	US Large	31,494.32	31,458.40	+0.12%
NASDAQ	US Tech	13,874.46	14,095.47	-1.57%
Russell 2000	US Small	2,266.69	2,289.36	-0.99%
Nikkei 225	Japan	30,017.92	29,520.07	+1.69%
FTSE100	UK	6,624.02	6,589.80	+0.52%
Hang Sang	Hong Kong	30,644.73	30,173.57	+1.56%
Crude Oil	Commodity	59.11	59.47	-0.61%
10 Year US Treasury	Bond	1.3450%	1.200%	+12.08%
Gold	Precious Metal	1,783.70	1,821.60	-2.08%
Bitcoin	Crypto	55,477.07	47,504.85	+16.78%

## Most Popular OPL Market Stocks

As market close 2/19/2021

Name	Symbol	Owners	Shares	Price	Value	Δ%
Amazon	AMZN	8	565	3249.90	1,836,193.50	
Apple	AAPL	5	9240	129.87	1,199,998.80	
Alphabet	GOOG	5	427	2101.14	897,186.78	
Netflix	NFLX	4	1479	540.22	798,985.38	
Tesla	TSLA	4	1020	781.30	796,926.00	
Moderna	MRNA	2	3432	174.74	599,707.68	
Microsoft	MSFT	3	2073	240.97	499,530.81	
Fedex	FDX	3	1767	254.64	449,948.88	
Disney	DIS	2	2178	183.65	399,989.70	
Nike	NKE	2	2816	142.02	399,928.32	

## Leader Board

As of market close 2/19/21

Funds in red are adults who are playing along and are not eligible for prizes

Fund	Market Value	Change	Largest Holding
AYUNSTOCK	1,000,000.00	0.00%	Regeneron
BLUESPHERE	1,000,000.00	0.00%	Moderna
CHAIR	1,000,000.00	0.00%	Amazon
GR4VITY09	1,000,000.00	0.00%	Paypal
HJRCAPITAL	1,000,000.00	0.00%	CNBS
<b>KARMA</b>	1,000,000.00	0.00%	McDonalds
<b>KAYFUND</b>	1,000,000.00	0.00%	Amazon
<b>KITTYCAT</b>	1,000,000.00	0.00%	Apple
KOPIMON	1,000,000.00	0.00%	Microsoft
LILLYPOP	1,000,000.00	0.00%	Moderna
MARSHMELLO	1,000,000.00	0.00%	Apple
<b>NESTEGG</b>	1,000,000.00	0.00%	BFIT
<b>OKAPI</b>	1,000,000.00	0.00%	eBay
POKEDEX	1,000,000.00	0.00%	Mattel
TROYBOI	1,000,000.00	0.00%	Apple
URAPEASENT	1,000,000.00	0.00%	Ford
YODAGROUP	1,000,000.00	0.00%	Pfizer

## **Test Your Knowledge: Who Owns What?**

Companies buy each other all of the time. Try to figure out which company owns each of these products, stores, or brands! You can go to the Ossining Fantasy Stock Market website and entering your answers to qualify for our Test Your Knowledge challenge!

### **Brand**

### **Owner**

**1) Mr. Clean**

**A) Kimberly Clark**

**2) Magic: The Gathering**

**B) Porshe**

**3) Volkswagen**

**C) 3M**

**4) Oreo**

**D) Alphabet**

**5) Timberland**

**E) Berkshire-Hathaway**

**6) Bath & Body Works**

**F) Proctor and Gamble**

**7) Pizza Hut**

**G) Facebook**

**8) Scotch Tape**

**H) Hasbro**

**9) GEICO**

**I) VF Corp**

**10) Instagram**

**J) L Brands**

**11) Huggies**

**K) Mondelez**

**12) You Tube**

**L) Yum! Brands**

## Know Your Stocks: Indexes

If you ever listen to or read financial news, you'll hear something like "The Dow was up 150 today while the NASDAQ gained 20". These reports are telling you about the stock market of course, but not about any individual stock. The Dow and NASDAQ are indexes that track many stocks at once, showing you a bigger picture of what's happening across the market.

Stock indexes are a way people organize and keep track of how the markets are doing. They also serve as a benchmark that traders and investors compare their portfolios to. Many funds seek to copy the gains of major indexes and active managers attempt to outperform them (spoiler: they rarely do!). Each index contains a number of stocks and tracks their rise and fall. Every stock market has at least one index and they can be used to compare how stocks in different companies are performing compared to the average. They can also compare different markets. Here are some of the major US indexes and how they are different from each other:

**S&P 500**: This index tracks the 500 of the largest US listed companies. The list is "Cap weighted" meaning the bigger the company is, the larger a portion of the index it makes up. Apple, the biggest company in the US, makes up 6.7% of the index while News Corp, the 500<sup>th</sup> biggest, is .008% of it. This means that the biggest companies account for almost all of the movement. The S&P 500 give you a good idea on how the biggest businesses are doing, but the movements of smaller companies get lost.

**Dow Jones Industrial Average**: This index tracks 30 hand-picked US companies. Unlike what the name says this isn't just stocks that are part of the industrials sector. The stocks picked are large, established, dividend paying companies. You won't find new, rapid growing companies or companies with unproven records on this list. The index is "Price weighted" meaning the higher the company's stock price is, the larger of a portion of the index it is. This is a very odd way to weight an index because stock price isn't always related to company size. Boeing, Home Depot, Visa, Goldman Sachs, Travelers, McDonalds, and others are all bigger parts of the index than Apple even though Apple is a much larger company. This weighting gives a different view from other indexes, but because it only has 30 stocks, this index sometimes doesn't reflect the greater US market.

**NASDAQ 100**: This index tracks 100 stocks listed on the NASDAQ exchange. Like the S&P 500, this is "Cap Weighted" so the larger companies make up a larger portion of the index. The companies in the NASDAQ tend to be younger and more focused on technology than the S&P 500. The NASDAQ famously grew extremely rapidly in the 90s as the internet began to gain popularity only to crash at the end of the decade.

**Russell 2000**: This index tracks 2000 of the smaller stocks in the US market. Like the S&P 500 it is "Cap Weighted", but unlike the S&P 500 the largest stock is the 1001<sup>st</sup> largest company in the US. The Russell tracks a completely different portion of the market than the other indexes do. If you want to see how smaller businesses are doing or want an index that isn't dominated by big companies like Apple and Microsoft, the Russell 2000 could be of interest to you.

**Foreign Markets**: Just like US markets, foreign markets each have an index that tracks its stocks. If you want to keep track of how other country's markets perform, these indexes help. There are many too many to list here, but these are some of the most widely watched foreign markets:

Nikkei 225: Japan

FTSE100: UK

Hang Seng: Hong Kong

DAX: Germany

BOVESPA: Brazil

RTS: Russia

Shanghai Composite: China

SENSEX: India

SMI: Switzerland