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Volume II

Always Free

Market News

It was a rough first week for the OPL Market, as US markets saw a rocky week of trading. Double digit drops in Moderna and Tesla were the biggest source of losses for the OPL investors. In aggregate*, the OPL market lost 4.11%, much steeper than the S&P 500 which only shed 2.45%. Historically, the OPL market has outperformed the S&P 500 every year. Will this be the first time it doesn't or will our picks turn things around?

One new investor joined the program! On the plus side, STOCKITUP skipped this pretty bad week and with just their starting money is in the lead. On the minus side, STOCKITUP picked Gamestop and missed its amazing 150% run this week. Still, with every other investor taking a loss, STOCKITUP starts the program in the lead

This brings us to 18 total players. That makes this is the smallest OPL Fantasy Stock Market ever, which is one way is sad, but in another way is great news for you! Fewer players mean better odds of winning! Good luck everyone!

Five of our participants managed a perfect score on last week's Test Your Knowledge. You can check the answers in this paper to see how you did. If our gurus keep nailing the trivia, we're going to have to up the difficulty!

**Aggregate: The total after adding everything together, in this case all of our portfolios.*

World News

The House passed a \$1.9 trillion stimulus bill that includes direct payments to taxpayers of up to \$14000 and a \$15 minimum wage. The Senate has ruled out \$15 minimum wage being included in the stimulus bill, determining that it does not count qualify for being passed under reconciliation* rules. The White House says that in spite of this setback, a \$15 minimum wage remains a policy priority.

The US passed 500,000 deaths from covid-19 this week. Flags around the country were brought to half-staff to honor the departed.

The FDA approved Johnson and Johnson's one dose COVID-19 vaccine.

Multiple cases of the South African variant of the coronavirus have been reported in New York. This variant appears to be more contagious, which is worrisome.

A study in Japan has found adverse reactions in only 0.014% people who have been vaccinated for covid-19, none of which were severe. This is positive news as more of the world becomes eligible to be vaccinated.

Over 100 Boeing planes were grounded after an engine failure on a 777 going from Denver to Honolulu shed debris over a residential neighborhood.

Australian news will return to Facebook. Facebook had blocked Australian news from its website in protest of a new law that would force the company to pay Australian news outlets their stories. Other countries and Microsoft had taken Australia's side in the standoff. The company has struck a deal with the country and will pay to post for the content.

The US officially implicated Saudi Crown Prince Mohammed bin Salman in the killing of journalist Jamal Khashoggi in 2018. Khashoggi was a Washington Post journalist who was murdered inside of the Saudi Arabian consulate in Turkey. In spite of this, president Biden has not disrupted ties with Saudi Arabia, a key US ally in the Middle East.

Niger had its first democratic transfer of power as Mohamed Bazoum won in a landslide. The country has a long history of coups and dictatorship.

**Reconciliation: A Senate procedure for budget items that only requires a majority vote.*

Finance News

Markets started the week jittery on fears of negative news from the Federal Reserve, but comments from Jerome Powell on inflation seemed to settle things down a bit. Interest rates on US treasuries jumped this week and stocks fell from their highs, with the tech heavy NASDAQ taking the largest loss.

Roblox, the popular gaming platform, is set to go public March 10th. Estimates place the company's value at about 30 billion dollars, far above the 2.5 billion dollars that Microsoft paid to acquire Minecraft in 2015. Will you be buying Roblox in a couple of weeks?

The Gamestop saga is clearly not over. Shares doubled in value on Tuesday, forcing trading to halt 14 minutes before close. Shares continued to rise on Wednesday. With no apparent reason for this gain, it is clear that Gamestop remains extremely volatile*.

Elon Musk said he thought Bitcoin might be overvalued, a strange move considering his company Tesla is heavily invested in the cryptocurrency. Bitcoin tumbled 16% on the week while Tesla dropped 12.3%.

**Volatile: Subject to large, sudden, unpredictable changes.*

Indexes and other Investments

As of market close 2/26/2021

Name	Type	Value	% Weekly Change
S&P 500	US Large	3,811.15	-2.45%
Dow Jones Industrial Average	US Large	30,932.37	-1.78%
NASDAQ	US Tech	13,192.34	-4.92%
Russel 2000	US Small	2,201.05	-2.90%
Nikkei 225	Japan	29,966.01	-0.17%
FTSE100	UK	6,483.43	-2.12%
Hang Sang	Hong Kong	28,980.21	-5.43%
Crude Oil	Commodity	61.66	+4.31%
10 Year US Treasury	Bond	1.46	+8.55%
Gold	Metal	1729.6	-3.03%
Bitcoin	Crypto	46,372.46	-16.41%

Most Popular OPL Market Stocks

As of market close 2/26/2021

Name	Symbol	Owners	Shares	Value	% Change
Amazon	AMZN	8	565	3092.93	-4.83%
Apple	AAPL	6	11301	121.26	-6.63%
Tesla	TSLA	5	1390	675.50	-13.54%
Alphabet	GOOG	5	429	2036.86	-3.06%
Netflix	NFLX	4	1479	538.85	-0.25%

Weekly Big Movers

As of market close 2/26/2021

Name	Symbol	Value	% Change
Gamestop	GME	101.74	+150.65%
Mattel	MAT	20.20	+6.20%
World Wrestling Entertainment	WWE	49.40	+5.53%
Spotify	SPOT	307.8	-15.71%
Pelton	PTON	120.47	-13.77%
Tesla	TSLA	675.50	-13.54%
CNBS	CNBS	30.12	-12.03%
Moderna	MRNA	154.81	-11.41%
Zoom	ZM	373.61	-10.46%
BJs	BJ	40.18	-10.03%

Test Your Knowledge Challenge

A Chief Executive Officer (CEO) is typically the highest paid, most powerful position in a company. CEOs have the final say on the large-scale decisions a company makes. They manage the highest-level managers, direct the vision of the company, and take the blame when things go wrong. Being the CEO does not mean you are the owner of the company, but often the CEO is a large shareholder, sometimes the largest shareholder or the founder (or both!). It is hard to say how important a good CEO is to a company's success, but certainly a CEO that makes poor decisions can lead a company to irrelevance.

Use your research skills to find out who the current CEOs of these major companies are:

1) Microsoft _____

2) Apple _____

3) Tesla _____

4) Pesico _____

5) General Motors _____

6) Berkshire-Hathaway _____

7) Lowe's _____

8) AMD _____

9) Tencent _____

10) ADP _____

Answers to last week: Mr. Clean = Proctor and Gamble, Magic: the Gathering = Hasbro, Volkswagen = Porsche (this was actually written backwards, Porsche is owned by Volkswagen, not the other way around!), Oreo = Mondelez, Timberland = VF Corp, Bath & Body Works = L Brands, Pizza Hut = Yum Brands, Scotch Tape = 3M, GEICO = Berkshire Hathaway, Instagram = Facebook, Huggies = Kimberly Clark, You Tube = Alphabet

Leader Board

As of market close 2/26/2021

Fund	Market Value	Change	Largest Holding
STOCKITUP	1,000,000.00	0.00%	Tesla
MARSHMELLO	983,166.58	-1.68%	WWE
URAPEASENT	982,840.94	-1.72%	Ford
POKEDEX	980,750.60	-1.92%	Mattel
KARMA	977,141.90	-2.29%	Eli Lilly
OKAPI	971,486.67	-2.85%	eBay
GR4VITY09	967,590.58	-3.24%	Netflix
KITTYCAT	966,495.94	-3.35%	Apple
KOPIMON	964,647.82	-3.54%	Microsoft
KAYFUND	956,369.97	-4.36%	Amazon
LILLYPOP	956,145.30	-4.39%	Moderna
AYUNSTOCK	953,046.74	-4.70%	Regeneron
BLUESPHERE	948,019.53	-5.20%	Moderna
CHAIR	947,904.91	-5.21%	Amazon
TROYBOI	939,928.53	-6.01%	Amazon
NESTEGG	937,099.09	-6.29%	IPAY
HJRCAPITAL	934,271.24	-6.57%	CNBS
YODAGROUP	933,758.32	-6.62%	Pfizer

Dividends Paid

CSX: .28 MCD: 1.29 EBAY: .18 NKE: .275

Know Your Stocks: Scams

Whenever there is money involved, there are going to be people trying to take it from you. The stock market is no exception. Scams can take several different forms and you should be aware of them to protect yourself. Thorough research, is one way to avoid them. For those with less time and resources, diversification, where you invest in many different stocks instead of just one or a few, another defense. Putting everything into one stock often ends in heartbreak. Here are three common scams:

Scam #1: Pump and Dump

In this very common type of scheme, a person or group of people buy up shares in a company, usually one that is small and whose stock has little activity. While buying, they hope other traders will see the activity and join in, raising the price and volume. Once they've built up their position, they try to convince other people to jump onto the stock. Usually this involves exaggerations and lies that overstate the company's potential for growth. This is the "pump", the idea being to inflate the stock's price as much as possible. Once the price jumps, the original buyers sell for a big profit. This is the "dump" part, dropping all of the shares for well above what is probably their real value. The price of the stock usually drops very quickly as people try to sell before they lose their money. It is important to know that stocks can get hot for many reasons and just because a stock jumps in price, then falls doesn't mean there was a scam. People sometimes get excited over a stock and others jump on board not wanting to get left behind. Whether or not it's a scam, buying a hot stock can mean big losses.

Scam #2: Insider Trading

All traders in the market are supposed to have access to the same information so that everyone can make informed decisions. Of course, some people, usually people "inside" the company know things that the public doesn't. Insiders are not supposed to act on non-public information, but with money on the line sometimes they do it anyway. In order to disguise it, they might tell other people who can act on the information for them. Either way trading with this type of insider information hurts people in the market. If someone knows positive information, they can buy the shares for below what will be their real value. If some knows negative information, they can sell their shares for above what will be their real value. Either way they benefit from their insider knowledge while the party they trade with loses. Insider trading is illegal and people go to jail for it, but it can be hard to prove.

Scam #3: Company Fraud

The company itself can also be the scammer. All public companies are required to file reports about so investors know what they're buying. Unfortunately, companies can lie. They usually do this to keep the stock price up so that insiders can profit from things like stock options. Companies can lie about many things including their revenue (how much money they take in), their earnings (how much profit they earn), their assets (what they own and how much its worth), and their debt (how much money they owe). There are also even more extreme cases of fraud, usually in "pink sheet" and "over the counter" stocks that aren't as regulated as stocks on major exchanges. These scams can include counterfeit shares, shares in a company that has had its assets transferred to another company, or strange ownership structures that mean the shareholders actually don't the portion of the company they think they do. Investors need to make sure they exert due diligence (do extensive research) on any company they intend to make a large investment in.

Your Thoughts: Investor Interview

For our first investor interview I spoke with Jonathan who manages CHAIR. Jonathan is a long-time library patron who has participated in the OPL Fantasy Stock Market before.

My first question was about why he thought the stock market was doing relatively well over the past year when the economy has been so damaged by the pandemic and civil unrest. Jonathan said that current events have affected almost all companies in good ways and not so good ways, and that while some companies have suffered or even closed, others have boomed, and these booming companies have carried the stock market to new highs. This strikes me as true, particularly since many of the companies that have suffered the worst are not a major part of the stock market (small businesses and the hospitality industry) while those that have benefited are (technology, logistics, and pharmaceuticals). Jonathan remains bullish on the market, feeling that new, innovative ideas that will drive growth aren't stopping any time soon.

I then asked Jonathan about Elon Musk. Musk is very influential in the market and a single one of his tweets can send a stock soaring. I asked Jonathan if he thought jumping on a stock based on Musk's mention would be something he would do. He thought that such a stock would probably go up in the short term, but that buying a stock based on some random thing Elon Musk says is very risky in the long term and that investors should do their own research as they could lose a lot of money. Jonathan said he would be more willing to invest in a new company started by Musk due to his track record of starting successful companies. This is a clear case of actions speaking louder than words.

Bitcoin was the next topic of conversation. As a Tesla investor, I asked what he thought about the company buying over \$1bn in Bitcoin. Jonathan said that he thinks as long as there is minable Bitcoin left, the value will probably rise, but once that is exhausted, he isn't sure what will happen. It could continue to rise or crash. Jonathan did not recommend that the average investor buy Bitcoin, as it is not investing in a company, but instead a currency. He thought Bitcoin was interesting in that it was like gold in that there is a finite amount of it. I found these points insightful. While Bitcoin is called a "crypto-currency" most people don't treat it as a currency. Currencies are used for everyday transactions. People who buy Bitcoin generally do so to hold it, hoping for an increase in value. In this way it acts a lot like a collectible, but it also resembles gold as people hope its limited supply will protect it from inflation*.

As a former Discover Your World champion, I thought it appropriate to ask Jonathan about why he (and most members of the OPL Market) avoid foreign companies. He noted that more than 50% of the world's investable equity market value is in the US (true!) and said that people (himself included) know the more about the US and prefer things they are familiar with.

I thank Jonathan for his time and I wish him luck in this year's OPL Market.

**Inflation: The decline of the value of money over time.*