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Always Free

Market News

The OPL Market had its best week so far, adding almost 3.5% and outperforming all of the major US markets. Amazon, our most popular stock, was up over 6%. All 18 participants had gains this week with one fund up well over 5%. Twelve of our investors are back over \$1,000,000 with two participants up over 10% on the year.

One investor made a trade this week, cutting their stake in Moderna in favor of Mattel. Moderna was one of the best stocks of 2020 on the back of its vaccine, but has failed to make gains in 2021. Mattel was also a bigger winner in 2020, so we'll see if it can keep that momentum up this year.

World News

In the silliest diplomatic spat of the year, European Commission President Ursula von der Leyen was left standing during a visit to Turkey when only two chairs were brought to a three-way conference. As is tradition, the fiasco is being called "Sofagate".

The Derrick Chauvin trial continued this week as the prosecution builds its case. Chauvin is a former police officer accused of murdering George Floyd while on duty, sparking weeks of protests last summer.

Skyrocketing Covid-19 cases in Brazil have overwhelmed the country's hospital system, leaving people without treatment. Brazil's president Jair Bolsonaro has resisted lockdowns to stem the spread of the virus.

Ethiopia's desire to build a hydroelectric dam on a Nile tributary has increased tensions in the region. Egypt and Sudan who are downstream from the site and would be affected by this construction have signed an intelligence sharing agreement to better monitor the situation. Ethiopia believes the dam is crucial for its growth.

Twitter has created an emoji for the Asian pro-democracy movement the Milk Tea Alliance. The alliance is made up of anti-Beijing protesters from Hong Kong and Taiwan as well as democracy activists from places like Thailand and Myanmar. While these groups have different specific concerns, all focus on greater political freedom and self-governance.

As many feared would happen with Brexit, unrest has struck Ireland. Tensions between unionists and nationalists have flared now that the border between Northern Ireland (part of the United Kingdom) and the Republic of Ireland (an independent country part of the EU) has become restricted as the UK is no longer part of the EU. Recent violence and arson in Belfast are reminiscent of The Troubles, a thirty-year irregular war that plagued the island. Many had hoped that the Brexit deal would contain a provision to keep this border open to prevent this from happening, but that did not happen.

Finance News

Wall Street made new highs again this week, ending Friday on a strong note. Like last week there was no major news, leading markets to slowly climb.

An Amazon plant in Bessemer, Alabama held a vote to become the first Amazon facility to unionize. The vote failed, though there will be an investigation into whether or not Amazon illegally interfered with the voting. Were it successful it may have inspired other Amazon plants and warehouses to themselves unionize. Unionization would likely cause major changes in the company's business model. Unionized workers tend to have higher pay, better working conditions, and more benefits. Amazon has fired many workers who have attempted to organize unions and other worker actions.

Zachary Horowitz, an actor, was arrested on suspicion of running a Ponzi Scheme. Ponzi Schemes are fraudulent investments with fake returns where early investors are paid off with money from later investors. Horowitz allegedly claimed to have nonexistent Netflix licensing deals to raise money from investors. This scheme is thought to have stolen ~\$690 million.

Coinbase Global is set to IPO next Wednesday. Coinbase is the largest cryptocurrency exchange in the US, trading 50 different coins. The company's IPO follows the tremendous gains in Bitcoin's price over the past year. Like Roblox a few weeks ago, this will be a direct listing. Analysts believe the company will be worth somewhere between \$70-\$100 billion.

New York plans to allow some online gambling, hoping that the tax revenue helps close the budget gap caused by the Covid lockdowns. The news could be good for companies like Draft Kings that are currently restricted in the state.

The Federal Trade Commission (FTC) has filed a lawsuit against Facebook, claiming the company is an illegal monopoly and recommending breaking up the company. Facebook claims that because its service is free to its users, it cannot be a monopoly. If this lawsuit is successful, it would be the first major antitrust decision since the breakup of AT&T in 1982.

Indexes and other Investments

As of market close 4/9/2021

Name	Type	Value	% Weekly Change
S&P 500	US Large	4,128.80	+2.71%
Dow Jones Industrial Average	US Large	33,800.60	+1.95%
NASDAQ	US Tech	13,900.19	+3.12%
Russel 2000	US Small	2,243.47	-0.46%
Nikkei 225	Japan	29,768.06	-0.29%
FTSE100	UK	6,915.75	+2.65%
Hang Sang	Hong Kong	28,698.80	+1.28%
Crude Oil	Commodity	59.34	-3.10%
10 Year US Treasury	Bond	1.67	-0.60%
Gold	Metal	1,743.60	+0.77%
Bitcoin	Crypto	58,526.73	-0.93%

Most Popular OPL Market Stocks

As of market close 4/9/2021

Name	Symbol	Owners	Shares	Value	% Change
Amazon	AMZN	8	549	3372.2	+6.68%
Apple	AAPL	6	11301	133	+8.13%
Alphabet	GOOG	5	429	2285.88	+6.93%
Netflix	NFLX	4	1479	555.31	+2.95%
Tesla	TSLA	4	1135	677.02	+2.31%

Weekly Big Movers

As of market close 4/9/2021

Name	Symbol	Value	% Change
Apple	AAPL	133.00	+8.13%
Paypal	PYPL	266.77	+7.77%
Alphabet	GOOG	2,285.88	+6.93%
Amazon	AMZN	3,372.20	+6.68%
Roblox	RBLX	71.83	+6.67%
Chipotle	CMG	1,531.42	+6.46%
Moderna	MRNA	140.92	+6.31%
Peleton	PTON	118.60	+5.81%
Brooks Automation	BRKS	95.70	+5.58%
Gamestop	GME	158.36	-17.28%

Test Your Knowledge Challenge

Loans make the finance world go round, but lenders want to make sure they get paid back.

Secured debt is when a lender has the right to something in case the loan isn't paid back. This is called collateral.

- 1) Look at these different types of loans. What collateral is used to secure each one? (Hint: Some of these have the same answer!)
 - a) Mortgage
 - b) Title loan
 - c) Corporate Bond
 - d) Margin Loan
 - e) Small Business Loan
 - f) Home Equity Loan

- 2) Not all loans are secured. What is a type of unsecured loan that most adults carry in their wallet or purse?

- 3) What is tradable loan to the US federal government called?

Answer to last week:

- 1) According to Standard and Poors, what are the 11 market sectors?
 - a. Information Technology, Health Care, Financials, Consumer Discretionary, Communication Services, Industrials, Consumer Staples, Energy, Utilities, Real Estate, and Materials
- 2) Which one is the largest portion of the US market?
 - a. Technology
- 3) Which sector best fits Hasbro?
 - a. Consumer Discretionary
- 4) Which sector best fits CSX?
 - a. Industrial
- 5) Which sector best fits Sealed Air?
 - a. Materials

Leader Board

As of market close 4/9/2021

Fund	Market Value	Change	Largest Holding
MARSHMELLO	1,106,869.13	3.43%	Pfizer
STOCKITUP	1,105,062.16	4.99%	Apple
URAPEASENT	1,063,472.02	2.96%	Ford
KITTYCAT	1,060,667.84	4.83%	Apple
GR4VITY09	1,043,424.04	3.29%	Netflix
OKAPI	1,041,388.69	0.48%	eBay
AYUNSTOCK	1,039,116.00	3.91%	Regeneron
CHAIR	1,036,302.03	4.94%	Amazon
KAYFUND	1,027,864.44	3.48%	Amazon
KOPIMON	1,024,499.41	2.73%	Microsoft
KARMA	1,018,882.30	3.03%	McDonalds
POKEDEX	1,004,583.89	1.45%	Mattel
BLUESPHERE	996,697.32	4.79%	Moderna
TROYBOI	992,135.46	5.72%	Amazon
YODAGROUP	974,562.15	3.05%	Pfizer
NESTEGG	974,437.81	3.26%	BFIT
HJRCAPITAL	971,861.87	3.92%	Roblox
LILLYPOP	951,028.17	2.50%	Mattel

Dividends Paid

General Mills: .51

Trade Wire

LILLYPOP: Sell MRNA, Buy MAT

Know Your Stocks: What's Up with Gamestop? Part III

We last left off with Gamestop at \$65.01 on a Friday rapidly rising on tremendous volume. 197,000,000 shares traded hands on a float (shares available to be traded) of only 45,900,000, meaning each share was being bought and sold an average of 4 times each! It wasn't just Gamestop rising though, with many other stocks getting caught up in the retail investor fueled rally. Movie theater operator AMC, smartphone maker Blackberry, headphone maker Koss, and telecom company Nokia were all caught up in the frenzy. These stocks gained the nickname "Meme Stocks" as Redditors shared funny and overly optimistic pictures based on these companies to add to the hype.

The World's Richest Person Makes a Cameo

On January 25th Gamestop rose over 10% again with huge trading volume, but the insanity didn't truly begin until the next day. Elon Musk, the CEO of Tesla with a huge, cultlike social media following tweeted a single word. It wasn't even a real word. It just said "Gamestonk!" and linked to the Wallstreetbets forum. The stock rocketed and closed the day at \$147.98, almost doubling in a single trading session. On the next day was the biggest gain of all, with the stock gaining over 160%, ending at its all-time highest close of \$347.51 on much lower volume. The stock made this massive run without any news from the company. For the next three days the stock saw insane bounces, but on February 2nd it plummeted back to \$90.00 and drifted downwards all month.

What's the damage?

As mentioned in last week's article, Gamestop was heavily sold short, with short interest over 100% of the float. Many of these short sales were made around \$30, but some were made much lower. Just to review how a short sale works, the short seller borrows a share and sells it, hoping to buy it back later at a lower price and profit from the difference. In order to do this the seller needs to pay interest and if the stock rises, they lose money. These losses aren't limited by the amount "invested" because short sellers aren't investing.

So how much money did hedge funds lose? We can't be exactly sure, but we do know one hedge fund, Melvin Capital, got burned badly. The fund lost almost \$3 billion dollars, or half of its assets, when it was forced to close its short position on January 26th. If they hadn't done so, they would have been wiped out on Wednesday when the stock doubled. Many other funds took losses as well.

These massive losses to hedge funds caused a decent amount of worry about contagion. Contagion is when a large financial institution takes a large loss and is forced to sell other assets to cover those losses. If there is enough selling, this lowers the value of those other assets which can in turn cause losses in other financial institutions, causing them to sell, starting a chain reaction that can crash the market. Fortunately, even though Gamestop was shorted to an insane amount and rose extremely fast, Gamestop isn't a very big company. The losses weren't a large enough loss to cause widespread damage, just big losses to overleveraged funds.

To the Moon?

Many people thought Gamestop would reach \$1000, but it didn't. Much of the hype around the company was being generated by bots on social media. By the time the stock had main stream media attention, it was already extremely overbought. New shortsellers jumped in at the inflated prices hoping to profit from the correction. However, there was another reason that the momentum turned was much more controversial. Robin Hood, a free broker popular with retail investors, along with some other small brokers put trading restrictions on Gamestop at its peak, limited their clients to buying one share. This hurt demand as many buyers were unable to keep buying. The next stop in this saga wasn't the moon, but instead a hearing in Washington.

Your Thoughts: Investor Interview

Ava and Amelia are sisters who are taking part in the OPL Fantasy Stock Market for the first time. Their portfolios have some overlap, but some differences as well. They also had very different opinions!

Ava and Amelia both invested heavily in Moderna, a pharmaceutical manufacturer. Moderna saw huge gains in 2020 as the company successfully developed a Covid-19 vaccine that was approved for use in the US. Unfortunately, the stock has been down in 2021. I asked them what they thought might help the company continue its winning streak or if they thought it was time to sell. Amelia said the company was developing a vaccine for children and that other Covid variants might need new vaccines as well. She believed Moderna had an edge in developing these and thought the stock could rise soon. Ava agreed that the vaccines would mean Moderna would continue to do well, but thought it was time to sell anyway, possibly believing all of the value from vaccine sales was already accounted for in the stock price.

Ava and Amelia also both invested in Reckitt Benckiser, a British company best known in the US as the manufacturer of Lysol. With so few investors buying companies outside the US, I asked them what they thought about foreign companies and if they were an important part of a portfolio. Amelia said she bought the company not because of its location, but because she thinks Lysol is a product that will be in demand for a long time. She added that she thought having a good mix of companies in different places was safer than putting them all in one place. Ava disagreed, saying that she isn't comfortable investing in other countries because she wasn't sure if there were differences the stock markets of different companies. She said investors should stick with what they know and should only invest in other countries if they understand them well.

We moved on to the "Crash" of 2020, noting that the market recovered extremely quickly in spite of the pandemic, lockdowns, and social unrest. I asked why they thought the market was able to turn around so quickly. Ava said she wasn't sure, while Amelia said that all of the government stimulus put a lot of money into the economy. I actually agree with both of them! Government stimulus certainly helped, but it's hard to imagine why so many people put their money right back into the stock market so fast.

From here I asked some questions to each sister about their other companies. I mentioned to Amelia that Google CEO Sundar Pichai was testifying before congress about social media's spread of misinformation and impact on children. Amelia said that tech companies should be responsible for their content and continued that social media often has a negative impact on children because children believe what they see on the screen. We'll see if any new laws regulating sites like Youtube are passed. Amelia was the first person in the OPL Market to invest in 3M and she explained that she thought 3M, as a major manufacturer of masks, was

being undervalued. Finally, I asked Amelia why she thought Amazon passed Apple for the most popular stock in the OPL Market. Amelia's explanation was that due to the pandemic, Amazon has become many people's primary means of getting the things that they need. She believes Apple is still an important company, but Amazon has become a vital part of people's lives while Apple's products are basically luxuries.

Disney, the biggest entertainment company in the world, was one of Ava's choices and I asked her what part of the company she thought would have the most growth. She thought streaming would do well with people spending more time at home, but felt toys were the biggest winner with parents trying to keep kids off of the screen. Ava thought Disney toys has a great future. Ava also invested in Nintendo and I inquired how she thought the video game maker was able to compete against much bigger companies like Sony and Microsoft for so long. Ava thought Nintendo did the best job making games for younger kids and making a truly great portable system. Titles like Animal Crossing that are family friendly are just something other companies haven't made.

I thank Ava and Amelia for their time and wish them luck in the OPL Market.

OPL by the Weeks

Date	Value	Best Stock	Week Change	Total Change
2/19	\$18,000,000.00			
2/26	\$17,300,664.66	GME	-3.89%	-3.89%
3/5	\$17,132,325.57	GME	-0.97%	-4.82%
3/12	\$17,648,076.82	GME	+3.01%	-1.96%
3/19	\$17,547,945.70	FB	-0.57%	-2.51%
3/26	\$17,511,549.91	BJ	-0.21%	-2.71%
4/2	\$17,813,021.61	BRKS	+1.72%	-1.04%
4/9	18,432,854.73	AAPL	+3.48%	+2.40%