

Stock Market Game



Diversity

How did the Market do today?

- Indexes:

- S&P 500 – Up – 15 points (.36%)
- Dow Jones Industrial Average (DOW) – Down – 23 points (.07%)
- Nasdaq Composite (NASDAQ) – Down – 141.8 points (1%)

What is Portfolio Diversification?

- **Diversification:** The practice of spreading your investments around so that your exposure to any one type of asset is limited.
 - Helps **reduce the volatility** (swings between highs and lows) of your portfolio over time.
 - Helps **lower your risk**
 - Does not ensure a profit or prevent against loss

What are Stock Sectors?

- 11 economic or industry sectors:
 - 24 industry groups
 - Then into 68 industries
 - Then into 157 sub-industries

Stock Sectors		
Energy	Consumer Staples	Telecommunication Services
Materials	Health Care	Utilities
Industrials	Financials	Real Estate
Consumer Discretionary	Information Technology	

Energy Sector

- Consists of businesses that source, drill, extract, and refine the raw commodities we need to keep the country going, such as oil and gas.

ConocoPhillips



HALLIBURTON



Utilities Sector

- Firms that make our lights work when we flip the switch, let our stoves erupt in flame when we want to cook food, make water come out of the tap when we are thirsty, and more.



Is your portfolio diverse?

- Consider purchasing one or more stocks from the sectors we have discussed today
- How might this help your portfolio?

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