

Lesson 3

How Do You Read Stock Quotes Online?

Resources: Internet access

Objectives: In this lesson, you will learn how to get and interpret stock price data online. You will also be able to describe certain aspects of various corporations and know the meanings of important terms involving the stock market. You will also find **stock charts, company profiles, and financial information** as part of the process in choosing stocks for the contest.

Background: The online stock quotes provide important data. To get stock quotes is just like shopping in a supermarket checking on price tags for items on the shelves prior to the purchase. The quotes are from the stock exchanges worldwide via the Internet. Below is a typical stock quote table from Yahoo! In addition, there are links such as news, profile, research, and more providing important information to make decisions in choosing a stock.

INTEL CORP (Nasdaq NM:INTC) - More Info: News , SEC , Msgs , Profile , Research , Insider					
Last Trade Mar 9 - 118.38	Change +3.44 (+2.99%)		Prev Cls 114.94	Volume 19,187,900	Div Date Mar 1
Day's Range 112.00 - 118.50	Bid 118.69	Ask 119.00	Open 113.69	Avg Vol 25,019,180	Ex-Div Feb 3
52-week Range 50.12 - 120.00	Earn/Shr 2.11	P/E 54.47	Mkt Cap 395.5B	Div/Shr 0.12	Yield 0.10

- **52-week high:** This gives you the highest price that particular stock has reached in the most recent 52-week period.
- **52-week low:** This gives you the lowest price that particular stock has reached in the most recent 52-week period.
- **Name and symbol:** This tells you the company name (usually abbreviated) and the stock symbol assigned to it. Financial tables list stocks in alphabetical order by symbol, and you need to use them in all stock communications.
- **Dividend:** A value in this column indicates that payments have been made to stockholders. The amount you see is the annual dividend quoted as if you owned one share of that stock.
- **Volume:** Tells you how many shares of that particular stock were traded that day. If only 100 shares are traded in a day, the trading volume is 100.
- **Yield:** This refers to what percentage that particular dividend is to the stock price. Yield, which is most important to income investors, is calculated by dividing the annual dividend by the current stock price.

- **P/E:** This indicates the ratio between the price of the stock and the company's earnings. This ratio (also called the *earnings multiple* or just *multiple*) is frequently used to determine whether a stock is a good value.
- **Day last:** This tells you how trading ended for a particular stock on the day represented by the table. Some newspapers report the high and low for that day in addition to the stock's ending price.
- **Net change:** This column answers the question "How did the stock price end today compared with its trading price at the end of the prior trading day?"

Activities:

Go to Yahoo! Finance finance.yahoo.com to get detailed stock quotes for Intel Corporation and answer the following questions:

1. What is the name of the stock exchange on which Intel is presently trading now?
2. How much would you have to pay for one share of Intel stock?
3. What was yesterday's closing price for Intel?
4. How many shares of Intel were traded since the market was open this morning?
5. How many shares of Intel are traded daily on average?
6. How much did Intel earn per share in the last year?
7. The **price-earning ratio (P/E)** of the stock market is presently at 28. How many times is Intel's P/E above the market?
8. Does Intel pay a **dividend**?
9. If students bought 10 shares of Intel at the lowest price of the year and sold it at the highest price for the year, how much money would they make?
10. If students bought 100 shares of Intel at the current price but missed the chance to buy the shares at the lowest price for the day, how much more money would they have to pay?
11. What is Intel's **market cap**?

Additional Activities:

Look at a 5-year chart below the stock table from Yahoo! Finance.

1. How many times has Intel had a stock split during the last 5 years?
2. If you bought 100 shares of Intel in 1995, how many shares would they have now? Click on compare at the top of the chart and then on "vs. S&P 500"
3. Intel and the S&P index were at the same value in January 1996. How many percent did Intel outperform the market (S&P) at the current share price?
4. Click on the technical indicator at the top, Is Intel's current price above or below its 50-day **exponential moving average**/ 200-day **ema**?

Note: If the share price is above the 50-day or 200-day moving average, investors will expect the price to go even higher due to upward momentum. The opposite is true if the price is below the moving averages.

Click on Company Profile on the side panel and answer the following questions:

1. What is Intel's main business?
2. What were Intel's top line (revenues) and bottom line (net income) growth in the recent financial reporting period?
3. Is Intel a strong growth company? Why?
4. Who is the president, CEO, of Intel?
5. What was the closing price for Intel 3 months ago (click on historical data)?
6. How many percent of shares do insiders (management and directors) own?