1st Quarter 2015 Newsletter

Monetta

Young Investors News

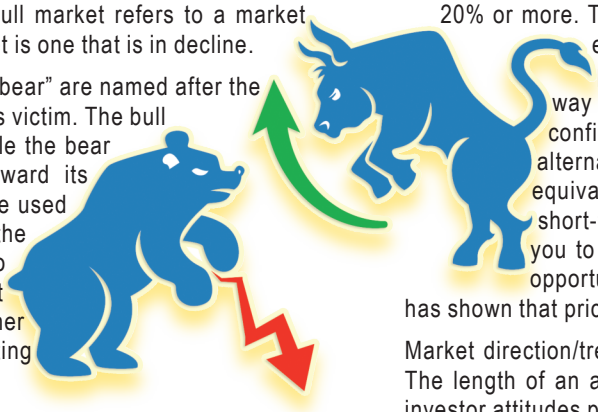
00132195

Bull and Bear

Becoming an Informed Investor

You have probably heard the terms "bull" and "bear" markets to describe market conditions. Simply put, a bull market refers to a market that is on the rise and a bear market is one that is in decline.

The origins of the terms "bull" and "bear" are named after the way in which each animal attacks its victim. The bull drives its horns up into the air, while the bear will swipe its paws downward toward its prey. These attack movements were used to describe the price movement of the market. Bulls and bears are also fierce opponents, and in ancient Rome were pitted against one another in popular, coliseum-like sporting events.



A bull market is typically a period of time during which stock prices consistently rise. Generally, a bull market exists when the overall market rises at least 15%. An improving economy, with high employment rates and improving business profits usually ushers in a bull market. In a bull market investors are willing to put money into the market, which in turn drives prices higher.

Typically, a bear market is when the overall stock market declines by 20% or more. The decline in stock prices is normally due to a weak economy and expectations of declining corporate profitability. A decline in profits directly affects the way investors value stocks. As stocks decline, investor confidence is usually shaken, which shifts investors into alternative investments such as bonds or cash and cash equivalents. Bear markets may be bad if you are a short-term trader or you need money immediately, forcing you to sell a security. A bear market could also be a great opportunity to buy good companies at a discount as history has shown that prices eventually returned to reasonable levels.

Market direction/trends may be sudden or prolonged over many years. The length of an advance or decline is highly dependent on changing investor attitudes primarily based on economic growth expectations.

There is no sure way to predict market trends. Therefore, investments should be based on your personal objectives and identifying companies with improving long-term growth prospects. At the same time, knowing the kind of market we are in (Bull/Bear) will influence what you should pay for a security.

Stasi from Yorkville, IL is last quarter's newsletter winner of the $10 Target Gift Card.

Successful Entrepreneur

Howard Schultz was born in Brooklyn, New York on July 19, 1953. He grew up in the Bay View Housing Projects in southeastern Brooklyn. With little money, both parents worked long hours to support the family. Howard occupied his time with sports, playing football, baseball and basketball. He did so well in high school that he was awarded an athletic scholarship to Northern Michigan University.

After graduation he worked as an appliance salesman at Hammerplast, a company that sold European coffee makers in the United States. He noticed a small company in Seattle, Washington was ordering an increasing number of coffee makers. He decided to visit the company called Starbucks Coffee, Tea and Spice and fell in love with the flavorful coffee. He expressed an interest in working for the company and was eventually hired as the marketing director. At that time the company only sold coffee beans and related products, not coffee by the cup. After a trip to Milan, Italy he was convinced that coffee "bars" were the wave of the future. The owners of Starbucks disagreed, so Schultz went out on his own and opened Il Giornale Coffee Bar in 1984, which was a big success. In 1987 he heard that the Starbucks owners were interested in selling. He bought out all partners and merged Il Giornale with Starbucks to form the Starbucks Corporation. Starbucks coffee bars blossomed almost overnight creating a nationally recognized brand. Mr. Schultz's success could best be summarized by his quote that, "This has never been about money, never. It's about our passion for coffee."

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Is it a Bull or Bear?

		BULL	BEAR
1	INVESTORS SEE STRONG DEMAND AND WEAK SUPPLY FOR SECURITIES.	■	■
2	MONEY MOVES OUT OF STOCKS INTO ALTERNATIVE INVESTMENTS.	■	■
3	MORE INVESTORS ARE WISHING TO BUY SECURITIES WHILE FEW ARE WILLING TO SELL.	■	■
4	ECONOMY IS WEAK, MANY COMPANIES ARE LOWERING GUIDANCE.	■	■
5	A MARKET THAT CONTINUES TO EXPERIENCE HIGHER STOCK PRICES.	■	■

Answers: 1=Bull 2=Bear 3=Bull 4=Bear 5=Bull

Laughing Studio

What animal can jump higher than a house?

Any animal — a house can't jump.

What did the duck say to the comedian?

"You quack me up."

How do you spot a modern spider?

He doesn't have a web, he has a website.

How does a dog stop a video?

He presses the paws button.

What do you call a pig that knows karate?

A pork chop.

KIDS, if you have a joke that you would like to submit, please send it to info@monetta.com. If we use your joke we'll send you a special prize!

COMPANY TRIVIA

HARLEY-DAVIDSON MOTOR CYCLES

Editorial Use Only.

- THE COMPANY WAS STARTED IN 1901 BY THREE DAVIDSON BROTHERS AND THEIR FRIEND WILLIAM HARLEY I.E. HARLEY-DAVIDSON.
- THE FIRST HARLEY-DAVIDSON BIKE WAS A MOTORIZED BICYCLE.
- ELVIS PRESLEY WAS FEATURED ON THE COVER OF HARLEY-DAVIDSON'S "ENTHUSIASTS" MAGAZINE IN 1956.
- IN 1920, THE COMPANY HAD A RACE TEAM WHOSE MASCOT WAS A PIG. AFTER EACH VICTORY THE PIG SAT ON THE GAS TANK AND DROVE A VICTORY LAP.
- MOVIES THAT FEATURED HARLEY-DAVIDSON MOTORCYCLES INCLUDED EASY RIDER, CAPTAIN AMERICA, THE AVENGERS AND INDIANA JONES.

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GAME STUDIO

****Answer all currencies correctly and automatically be entered to win a collector's edition car bank! (Only one shareholder will win)****

France _____
Iceland _____
Israel _____
Italy _____
Kazakhstan _____
Lithuania _____
Norway _____
Poland _____
Russia _____
Turkey _____
Ukraine _____
United Kingdom _____

Hints

Tenge
Euro
Turkish Lira
Pound
Hryvnia
Ruble
Shekel
Zloty
Krone
Second Kròna
Franc
Litas

Name the CURRENCY

Do you know the past or present currency used for some of the European Countries listed on the left?

Name _____
Address _____
City _____ State _____ Zip _____
Phone _____
E-mail _____
Age _____

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Mail back the quiz with your name and address to above mailing address or email to: info@monetta.com.
Entries must be received by March 31, 2014.