

Young Investors



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Successful Entrepreneur



KEVIN O'LEARY (AKA Mr. Wonderful on ABC's Shark Tank) was born to a middle class family in 1954. Kevin learned most of his business intuition from his mother. She was a disciplined investor investing a third of her weekly paycheck in large-cap dividend-paying stocks and bonds. She taught Kevin never to withdraw any of his investing principal and spend only the dividends or interest earned on an investment.

Kevin's approach to business was influenced by his first job at a local ice cream shop. He was hired as an ice cream scooper. His second day on the job, the store owner ordered Kevin to scrape the filthy, dried chewing gum from the floor. He refused and was quickly fired! This experience was a milestone for him, inspiring a deep conviction never to work for anyone else again.

In 1986, at the age of 32, he started Softkey Software Products, Inc. in his basement. The company developed educational software for children and teens. As the product demand increased he began licensing software from other companies and buying out competitors he couldn't outsell. In 1999, Mattel purchased the company for \$4 billion, setting Kevin on a path toward venture capital investment opportunities.

He is best known for his role as a potential investor on the American television show "Shark Tank" on which he has starred since 2009. He was given the nickname "Mr. Wonderful" as a no-nonsense investor who isn't afraid of calling an entrepreneur a "cockroach!"

Inflation and Purchasing Power



Simply put, inflation is the steady increase of the price of goods and services over time. Purchasing power is the "amount" of goods and services you can purchase with a fixed dollar amount. Usually, when the price of items increases the less you can buy with the same amount of dollars.

you as much as it did in the past. Higher prices have resulted in a loss of purchasing power,

requiring more money to purchase the same number of items.

What causes price increases?

There are three main causes of price increases or inflation:

- When demand for a product exceeds its supply, the price for the product typically increases.
- An increase in labor and material costs to make a product results in companies raising prices for products they sell.

INFLATION Reducing your Purchasing Power



For example, assume you have \$10 to spend. In 2000, a candy bar costs 50¢, which means you had the purchasing power to buy 20 candy bars. Today, that same candy bar now costs \$1.00, which means you have the purchasing power to buy only 10 candy bars! The increase in the cost of the candy bar has lowered the value of your money...you can only buy 10 bars today versus 20 in 2000. In order to make up for this loss of purchasing power you must now have \$20 (or twice what you needed in 2000) to purchase the same number of candy bars.

Generally, over time, prices have increased. The shopping cart illustration reflects what \$20 could buy over three time periods. Note the decline in the number of items you could purchase today compared to past periods. It is clear that \$20 today could not buy

- Lastly, if the government increases the overall supply of money (prints more money) it can decrease the value of money. As the money supply increases, while the amount of goods stay constant, prices rise to meet the increased demand.

In summary inflation and purchasing power are similar to a teeter totter, with inflation on one side and purchasing power on the other. When inflation goes up, purchasing power goes down; when purchasing power goes up, prices/inflation move lower.

Types of Inflation



Hyperinflation, when prices rise more than 50 percent a month.

Galloping inflation is when prices rise 10 percent or more a year.

Creeping inflation, is when prices rise 3 percent or less a year.



Why deflation is Bad



- Deflation is a general decline in prices caused by a drop in consumer demand. Slowing demand means businesses have to lower prices to attract customers, which could lead to an economic slowdown.

• Massive deflation helped the 1929 recession turn into the "Great Depression!"

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Laughing Studio

1. WHY AREN'T FROGS ALLOWED IN BASEBALL GAMES?

They eat all the fly balls.

2. WHY WOULD SNOW WHITE MAKE A GOOD JUDGE?

She's the fairest of them all.

3. WHAT DO YOU CALL THREE OAKS WHO SING TOGETHER?

A tree-O.

4. WHAT DO TURKEYS PLAY IN A BAND?

Drumsticks.

5. WHAT DID THE DUCK SAY WHEN SHE BOUGHT LIPSTICK?

Just put it on my bill.



Devin from Summit, NJ is last quarter's newsletter winner of the \$10 Target gift card.

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 June 15, 2018.

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



• Snapchat's co-founder Evan Spiegel and Bobby Murphy were ridiculed by college classmates when they presented a disappearing photo app as a class project.

• Spiegel and Murphy met with Mark Zuckerberg in 2013, who attempted to buy Snapchat twice!

• Originally Snapchat was called Picaboo, first launched on Apple's App store in July of 2011 in Spiegel's father's living room.



• Snapchat's mascot is called "Ghostface Chillah" a name derived from Ghostface Killah of the group Wu-Tang Clan.

• Inspiration for the disappearing messages was after a friend regretted sending a photo to someone else.

• Research has found that 70 percent of Snapchat users are women.

• Approximately 30 percent of Snapchat users use it because their parents don't use it.

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Slogan Quiz



Answer all the questions correctly with the letters below next to the name of the company and you will be entered for a drawing to win a \$10 Target gift card!

Entries must be received by June 15, 2018.

1. I'm loving it _____
2. Just do it _____
3. Like a good neighbor ___ is there _____
4. Finger licking good _____
5. Melt in your mouth, not in your hands _____
6. Snap, Crackle, Pop _____
7. When you care enough to send the very best _____
8. Always low prices _____
9. Betcha can't eat just one _____
10. Eat Fresh _____
11. Zoom, Zoom, Zoom _____
12. You are now free to move about the country _____

- | | | |
|------------------|---------------|---------------------------|
| A. Walmart | E. M&M's | I. Nike |
| B. Mazda | F. Lay's | J. Subway |
| C. Rice Crispies | G. McDonald's | K. Kentucky Fried Chicken |
| D. Southwest | H. State Farm | L. Hallmark |

