3rd Quarter 2014 Newsletter

Monetta

YOUNG INVESTORS NEWS

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INFORMED INVESTOR

Whisper Numbers

What is a Whisper Number?

Have you ever observed that when a company reports earnings its stock price declines after what appears to be a good earnings report or how sometimes a stock price moves higher when a company reports a loss?

The major reason behind these price movements is the variance between actual reported results versus analysts' expectations.

For example, a company's stock price may decline if it reports a 15% increase in earnings but was below analysts' expectations of a 20% increase. Conversely, a company that was expected to post a 10% loss in earnings but reports a smaller loss may see an increase in its stock price.

While the analyst expectations tend to be the number that most investors monitor, there are unofficial and/or unpublished estimates that are referred to as "Whisper" numbers. These Whisper numbers are partly derived from analysts' expectations but also include expectations from other sources such as independent fundamental research, past earnings surprises, trade articles and general information posted on the internet. These Whisper numbers are "unofficial" compared to the "official" number published by professional analysts. A Whisper number can have an important impact on a company's stock price especially when it differs significantly from the analysts' expectations.

While Whisper numbers may not be any better than analysts' expectations they are numbers that many professional investors pay attention to and could propel a stock's price up or down.

Two popular internet sources for whisper numbers are whispernumber.com and earningswhispers.com. Check them out and look for variances from analysts' expectations.

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SUCCESSFUL ENTREPRENEUR

Oprah Winfrey was born in Kosciusko, Mississippi in 1954. She lived in poverty and often dressed in potato sacks because her family had no money. Her grandmother taught her to read and at the age of three she was reciting poems and Bible verses in local churches. In high school Oprah flourished, becoming an honor student and winning prizes for oratory and dramatic recitation. At 17 she won the Miss Black Tennessee Pageant and a full scholarship to Tennessee State University. During college Oprah worked at a local radio station as a reporter and anchor, setting a path toward broadcasting.

In 1976, she moved to Baltimore, Maryland where she hosted the TV chat show "People are talking." The show became a hit and in 1984 she was recruited by a Chicago TV station as a talk-show host which led to her own nationally syndicated program…The Oprah Winfrey Show.

The Oprah Winfrey Show became well-known for her weight loss programs, the Oprah Book Club and generally avoiding tabloid topics that other day-time shows exploited. In 1999, she launched "Oxygen Media" to produce cable and internet programming for women.

According to Forbes Magazine, Oprah was the richest African American of the 20th century while Life Magazine hailed her as the most influential woman of her generation.

Oprah became a major philanthropist raising millions for various charitable programs, including girls' education in South Africa and relief to victims of Hurricane Katrina. In 2013, President Barack Obama awarded her the nation's highest civilian honor, the Presidential Medal of Freedom.

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Whisper Quiz

1. An earnings estimate is an expectation and by itself does not create volatility? **True** **False**
2. Variance from expectations could create excess volatility? **True** **False**
3. A company that reports declining earnings will always result in a lower stock price? **True** **False**
4. Whisper numbers could have a significant impact on stock price movement? **True** **False**
5. A high whisper number always results in a higher stock price? **True** **False**
6. Whisper numbers should be ignored? **True** **False**

Answers: 1=T 2=T 3=F 4=T 5=F 6=F

Laughing Studio

What do lawyers wear to court ?

lawsuits!

Why are frogs so happy?

They eat whatever bugs them.

Why do fish live in salt water?

Because pepper makes them sneeze!

What is the best day to go to the beach ?

Sunday, of course!

Why can't your nose be 12 inches long?

Because then it would be a foot!

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

SOUTHWEST®

- Southwest aircraft fly an average of nearly six flights or about eleven hours per day.
- Southwest's average trip length is 708 miles with an average duration of two hours.
- In 2013 Southwest served 68 Million cans of soda, juices and water; 90 Million bags of peanuts and 47 Million bags of pretzels.
- In 2013, the average passenger airfare was $154.72 one way.
- Last year the company received 100,682 resumes and hired 1,521 new employees.
- Southwest collects nearly 10,000 lost items per month with books, cell phones and glasses the most common items left. An unusual valuable item found was a NFL Super Bowl ring.

For educational purposes only, not intended as a recommendation to buy or sell a security. All logos are trademarks of their respective owners.

GAME STUDIO

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

SAVVY SHOPPER

YOU NEED	STORE 1	STORE 2	WHICH STORE HAS THE BETTER DEAL?
Baseball Mit and Bat	Ball and mit set for $29.99	Baseball mit $15.00 Baseball bat $18.76	**Store**_____ **Amount Saved:**_____
Two Coffee Cups	$5.99 each	Buy one coffee cup for $10.00 get a second one free.	**Store**_____ **Amount Saved:**_____
2 New Pair of Shoes	1 pair of shoes $26.00	Buy 1 pair for $38.00 get 2nd pair for an additional $1.	**Store**_____ **Amount Saved:**_____
Video Game	Video game $19.89 each	Buy a video game for $29.99 apply a 30% discount coupon.	**Store**_____ **Amount Saved:**_____
CD Player	A CD Player for $29.99 apply a 20% discount at checkout.	A CD Player for $35.00 apply 40% for closeout sale.	**Store**_____ **Amount Saved:**_____

Directions

Are you a savvy shopper? find out by taking a trip to the store. See what you need to buy and then figure out which store has the best deal.

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 September 30, 2014.