


Street Talk

GMU OLLI
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Sylvia Auton
sauton@gmail.com



If investors are to be partners rather than pigeons, they must master the many ways in which Wall Street uses language to conceal rather than reveal information.

— Jason Zweig



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The Devil's Financial Dictionary.

— **Jason Zweig**

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Example 1

- ❖ *Sell your winners. Buy your losers.*
- or*
- ❖ *Sell your losers. Buy your winners.*

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❖ *When you need to rebalance...*

❖ *When a stock disappoints...*

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Example 2

- ❖ *Santa Claus Rally*

- ❖ *If Santa fails to call, bears may come to Broad and Wall*

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❖ *Santa Claus Rally*

A Santa Claus rally describes a sustained increase in the stock market that occurs in the last week of December through the first two trading days in January.

- General feelings of optimism and hope
- Holiday bonuses

Investopedia.



❖ *If Santa fails to call, bears may come to Broad and Wall*

- Since the mid-1990s, there have been only six times Santa failed to show in December.
- The last six times SCR (the last five trading days of the year and the first two trading days of the New Year) has not occurred were followed by three flat years (1994, 2004 and 2015) and two nasty bear markets (2000 and 2008) and a mild bear that ended in February 2016
- No correlation between the stock market's performance around Christmas and its return in the subsequent year.

Market Watch



Example 3

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❖ *The January Effect*



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- ❑ The tendency of small stocks to perform especially well in December, right before everyone buys them in January for much higher prices.
- ❑ Investors sell off underperforming stocks in December for a capital loss, leading to a dip in prices which pick up in January

The Devil's Financial Dictionary
Motley Fool

Example 4

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❖ *Sell in May and Go Away*

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- ❑ It is based on the historical underperformance of some stocks in the "summery" six-month period commencing in May and ending in October, compared to the "wintery" six-month period from November to April.
- ❑ From 1950 to around 2013, the Dow Jones Industrial Average posted lower returns during the May to October period, compared with the November to April period.
- ❑ Since 2013, statistics suggest this seasonal pattern may not be the case anymore, and those who follow it may miss out on significant stock market gains.

Example 5

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❖ *Blue Sky Stocks*

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- Risky stocks
- Blue sky laws are state-level, anti-fraud regulations that require issuers of securities to be registered and to disclose details of their offerings.
- Con artists selling paint to paint the sky so it will rain.

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Example 6

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❖ *The Trend is Your Friend*

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- ❑ “The trend is your friend, until the end when it bends.”
- ❑ Basically buy as the trend is going up; sell when the trend starts going down.
- ❑ Turtle trading experiment. 1980s Richard Dennis and William Eckhardt, commodities traders taught people to purchase a stock or contract during a breakout and quickly sell on a retracement or price fall. Very successful. Will it work today? \$5,000 went to more than \$100 million

Example 7

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❖ *Don't Catch a Falling knife*

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- ❑ A falling knife is generally used as a caution not to jump into a stock or other asset during a sharp drop.
- ❑ Wait for the price to bottom out before buying
- ❑ The security can rebound or go to bankruptcy

Investopedia

Example 8

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❖ *A Fire Sale*

❖ *Fire sale*

- ❑ Generally a company is in financial straits and selling securities below market value or during a prolonged bear market
- ❑ March 2021 *Here's Why Wall Street Is Worried About More Forced Selloffs After Friday's \$30 Billion Fire Sale* a frantic stock sale helped wipe nearly \$50 billion off the market capitalizations of Viacom CBS and Discovery.
- ❑ Selling when you are financially distressed. When you are selling below what you paid because you need cash.

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Forbes

Example 9

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❖ *Irrational Exuberance*

A vertical decorative bar on the left side of the slide, featuring a golden-yellow background with various financial symbols and characters (like \$, %, and numbers) in a 3D, embossed style.

❖ *Irrational exuberance*

- ❑ Unfounded optimism Not founded on rational analysis but on psychological factors
- ❑ The term was popularized by former Fed chair Alan Greenspan in a 1996 speech addressing the burgeoning internet bubble in the stock market.

Investopedia



Example 10

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OLLI FAVORITES?.



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The End