**Trading Assignment 2**

**Updates On Your Portfolio**

For each of the six stocks you purchased for Trading Assignment 1, indicate how much you originally invested and the current total value of the stocks purchased (as well as the date and time you are recording the current value).

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| --- | --- | --- | --- | --- |
|  | **Stock Ticker** | **Amount Invested** | **Current Value** | **Date and Time** |
| *Value Stock* | *RIC* | *$12,000* | *$11,131* | 8/20/2022 @ 9:45am |
| *Growth Stock* | *WHAM* | *$10,000* | *$9,232* | 8/20/2022 @ 9:45am |
| Value Stock |  |  |  |  |
| Value Stock |  |  |  |  |
| Value Stock |  |  |  |  |
| Growth Stock |  |  |  |  |
| Growth Stock |  |  |  |  |
| Growth Stock |  |  |  |  |


Remember: do not sell out of these positions until the semester is over. You can always buy more shares of these 6 stocks, but you cannot sell out of your original positions.

**Shorting & Buy Stop**

First, short at least $10,000 of a stock in Stock|Trak. Record this transaction below. Don’t include transaction costs. Make sure this isn’t a stock you already traded in Trading Assignment 1.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name and Ticker of Stock Shorted** | **Price per Share** | **Number of Shares** | **Amount Earned from Sale** | **Date and Time** |
| *Richmond Inc. (RIC)* | $250.00 | 48 | $12,000 | 8/13/2022 @ 9:45am |
|  |  |  |  |  |

Then, place a “[good-til-cancel](https://www.investor.gov/introduction-investing/investing-basics/glossary/good-til-cancelled-order#:~:text=A%20Good%2DTil%2DCancelled%20(,vary%20from%20broker%20to%20broker.)” *buy stop* order in Stock|Trak for the same number of shares. Follow these steps: *My Portfolio → Open Positions → click “TRADE” next to the stock you shorted → choose “Cover” from the Action dropdown → choose “Stop” from the Order Type dropdown → input your stop order price*. Your buy stop order price should be between 5% and 15% greater than the price you received when you shorted. Record the details below. Don’t include transaction costs.

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| --- | --- | --- | --- | --- |
| **Name and Ticker of Stock Shorted** | **Order Price per Share** | **Number of Shares** | **Amount Buy Stop will Cost if Executed** | **Date and Time** |
| *Richmond Inc. (RIC)* | $280.00 | 48 | $13,440 | 8/13/2022 @ 9:50am |
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In the space below (in no more than 150 words total):

* Provide your rationale for shorting this stock.
* Reference the articles or sources that helped you arrive at your choice to short this stock.
* State what your maximum loss is if you had no buy stop, and what your maximum loss is with the buy stop.

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**Long & Sell Stop**

Next, buy at least $10,000 worth of a stock in Stock|Trak. Record this transaction below. Don’t include transaction costs. Make sure this isn’t a stock you already traded in Trading Assignment 1 or in the section above.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name and Ticker of Stock Purchased** | **Price per Share** | **Number of Shares** | **Total Cost of Purchase** | **Date and Time** |
| *Westhampton Inc. (WHAM)* | $334 | 30 | $10,020 | 8/13/2022 @ 9:45am |
|  |  |  |  |  |

Then, place a “[good-til-cancel](https://www.investor.gov/introduction-investing/investing-basics/glossary/good-til-cancelled-order#:~:text=A%20Good%2DTil%2DCancelled%20(,vary%20from%20broker%20to%20broker.)” *sell stop* order for the same number of shares. Your sell stop order price should be between 5% and 15% below the price you paid for the shares. Record the details below. Don’t include transaction costs.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name and Ticker of Stock Purchased** | **Order Price per Share** | **Number of Shares** | **Total Amount Made if Sold** | **Date and Time** |
| *Westhampton Inc. (WHAM)* | $300 | 30 | $9,000 | 8/13/2022 @ 9:50am |
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In the space below (in no more than 150 words total):

* Provide your rationale for buying this stock.
* Reference the articles or sources that helped you arrive at your choice to buy this stock.
* State what your maximum loss is if you have no sell stop, and what your maximum loss is with the sell stop.

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**Long & Sell Limit**

Next, buy at least $10,000 worth of a stock in Stock|Trak. Record this transaction below. Don’t include transaction costs. Make sure this isn’t a stock you already traded in Trading Assignment 1 or in the sections above.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name and Ticker of Stock Purchased** | **Price per Share** | **Number of Shares** | **Total Cost of Purchase** | **Date and Time** |
| *Robins Inc. (ROBN)* | $334 | 30 | $10,020 | 8/13/2022 @ 9:45am |
|  |  |  |  |  |

Then, place a “[good-til-cancel](https://www.investor.gov/introduction-investing/investing-basics/glossary/good-til-cancelled-order#:~:text=A%20Good%2DTil%2DCancelled%20(,vary%20from%20broker%20to%20broker.)” *sell limit* order for the same number of shares to exit your long position in Stock|Trak if the price reaches the limit. Your sell limit order price should be between 5% and 15% above the price you paid for the shares. Record the details below. Don’t include transaction costs.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name and Ticker of Stock Purchased** | **Order Price per Share** | **Number of Shares** | **Total Amount Made if Sold** | **Date and Time** |
| *Robins Inc. (ROBN)* | $380 | 30 | $11,400 | 8/13/2022 @ 9:50am |
|  |  |  |  |  |

In the space below (in no more than 150 words total):

* Provide your rationale for buying this stock.
* Discuss why you are setting a sell limit and why you chose that limit price.
* Reference the articles or sources that helped you arrive at your choice to buy this stock.
* State how much your maximum gain is if you have no sell limit, and what your maximum gain is with the sell limit.

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**Buy Limit**

Next, set a “[good-til-cancel](https://www.investor.gov/introduction-investing/investing-basics/glossary/good-til-cancelled-order#:~:text=A%20Good%2DTil%2DCancelled%20(,vary%20from%20broker%20to%20broker.)” *buy limit* order for a stock in an amount of at least $10,000 in Stock|Trak. Your limit order price should be between 5% and 15% below the current stock price. Record this transaction below. Don’t include transaction costs. Make sure this isn’t a stock you already traded in Trading Assignment 1 or in the sections above.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name and Ticker of Stock**  | **Current Price** | **Order Price per Share** | **Number of Shares** | **Total Cost of Purchase if Executed** | **Date and Time** |
| *Webstur Co. (WEBS)* | $95 | $86 | 117 | $10,062 | 8/13/2022 @ 9:45am |
|  |  |  |  |  |  |

In the space below (in no more than 150 words total):

* Discuss why you are setting a buy limit and why you chose that limit price rather than just buying the stock outright.
* Reference the articles or sources that helped you arrive at your choice to buy this stock.

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Do not cancel any of these orders until at least 24 hours has passed since you placed each order. Note that some or all of the orders *may not* execute if the stock rises or falls above or below your order price.

*Submit according to the instructions provided in class. Grades will be provided after all Trading Assignments are completed near the end of the semester.*