Slides 02.15: Reading the News: Why Prices Move

Lesson 2.15, two days. Day 1: slides 1 to 9. Day 2: slides 10 to 18.

Slide 1: Do now (Day 1)

- [Paste one full dispatch from window 7 here before class.]
- Read it. Write: what happened, and which venture cares. Notes: 4 minutes. Cold call three for the venture. Then advance to window 7 live and watch the ticker.

Slide 2: Why did that price just move?

- A few hundred people read the same words you did.
- They decided the same thing at the same time.
- Today: read the news faster than they do, and know when the news is lying. Image: a crowd of small figures all looking at one newspaper, with an arrow going up next to one of them.

Slide 3: Supply and demand in one picture

- A venture has a fixed number of units for sale.
- Lots of buyers, few sellers: the price goes up.
- Lots of sellers, few buyers: the price goes down.
- That is the whole rule. Image: a seesaw. Left side labeled BUYERS with many figures, right side SELLERS with two; the price arrow tilts up. Notes: Copy the two lines into the journal notes box.

Slide 4: The four dispatch families

- Weather moves Meadowgold.
- Exploration news moves Sparkstone and Cloudberry.
- Royal decrees move Crown Seal and the Iron Vault.
- The seasons move Willowbrook.
- The Honeypot ignores the news. Image: four small icons: a storm cloud, a compass, a crown, a leaf; and a honey jar with earmuffs. Notes: From Sal's Merchant's Handbook.

Slide 5: Part A: match the news to the price

- Eight news cards. Eight price changes, shuffled.
- Match each card to the change it caused.
- Write the sentence: "___ happened, so more people wanted to buy / sell ___, so the price went up / down."
- Pairs. 10 minutes. Notes: Circulate with the clipboard: six of eight matched, direction named.

Slide 6: Debrief: the one most pairs missed

- Card 6: a rumor about the Iron Vault. The Vault said it was false.

- The price still fell 2 percent. Why?
- A price is what people think today, not what is true. Image: an iron door with a small crack drawn in, and a speech bubble that says “rumor.”

Slide 7: Trading window

- Windows 8 to 12 open now, one at a time.
- Before each click: who does this dispatch affect? Which way?
- Predict, then watch. Then trade or hold.
- Note every trade on Entry 3. Notes: 10 minutes. One click every two minutes. Read every headline aloud.

Slide 8: Entry 3

- What I did. Why (name the dispatch). What happened.
- Plus: one prediction I made today and whether it came true.
- My total fortune at the bell. Notes: 6 minutes.

Slide 9: Closure (Day 1)

- Two merchants read the prediction line.
- Exit card: one dispatch from today, the price change it caused, and whether you predicted it.
- Tomorrow: how to tell when the news is lying. Notes: 4 minutes.

Slide 10: Do now (Day 2)

- Headline A: “Cloudberry reports a delayed expedition; costs up 8 percent.”
- Headline B: “Cloudberry about to EXPLODE, insiders say get in NOW.”
- Which one would you trust with your money? One reason. Notes: 4 minutes.

Slide 11: Fact or hype: the three tests

- Who says it? A named source passes. “Insiders” or nobody fails.
- Is there a number? A percent, a date, an amount passes. No number fails.
- Does it tell you to hurry? No rush words passes. “Now,” “last chance,” “everyone is” fails.
- Two or three passes: probably a fact. Zero or one: hype. Image: three icons in a row: a mouth, a number sign, a running figure with a red X.

Slide 12: Score the do now

- Headline A: source (Cloudberry reports), number (8 percent), no hurry. Three. Fact.
- Headline B: “insiders,” no number, “NOW.” Zero. Hype.
- A headline that tells you to hurry was written by someone who wants your money to move today. Notes: Say the last line slowly. It is the real-life rule.

Slide 13: One from the real world

- A post online: “This stock is going to the moon. Everyone is buying. Do not miss it.”

- Who says it? Is there a number? Does it tell you to hurry?
- Same test. Same answer. Image: a drawn phone screen with a rocket emoji post and no name on the account. Notes: No real company names. Students will supply their own; do not confirm any.

Slide 14: Part B: fact or hype sort

- Six headlines. Score each on the three tests.
- Label fact or hype.
- For each fact: what would a careful investor do? Buy, sell, hold, or wait for more.
- Pairs. 9 minutes.

Slide 15: Debrief: headline 6

- "Willowbrook's growers' council reports this year's harvest at 15 percent below last year after the frost; trees are healthy."
- Fact. Bad news. And a careful investor might hold, or even buy a little.
- Why? A small harvest with healthy trees is a one-season problem for a long-term venture. Image: a tree with a few apples and a small frost patch on one branch.

Slide 16: Trading window

- Windows 13 to 18 open now.
- Before each click, one merchant runs the three tests on the headline out loud.
- Trade or hold. Note trades on Entry 4. Notes: 10 minutes. *[Sal: if you send a custom hype dispatch from the Command Bridge today, label it "Anonymous" and confess afterward.]*

Slide 17: Entry 4

- What I did. Why. What happened.
- Plus: one headline I ignored today and which test it failed.
- My total fortune at the bell. Notes: 6 minutes.

Slide 18: Closure (Day 2)

- 3-2-1: 3 tests for hype, 2 headlines you labeled today, 1 rule you will use with real news.
- Three merchants read the "1."
- Tomorrow: eggs and baskets. Notes: 4 minutes. Fewer than three tests named is "needs more."