

ENCOUNTERS IN THE WORLD OF INVESTING

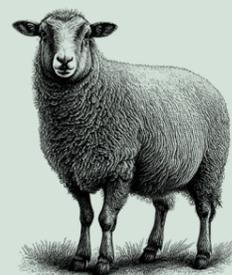
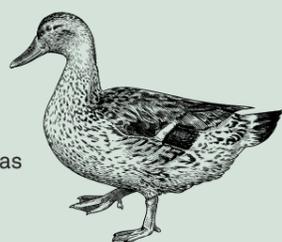
and the big beasts that inhabit it

Is this a year full of bulls or bears? Doves or hawks? Which “animals” will dominate? Step into the magical world of investing with this guide to the beasts lurking in the global economy. Here we break down just who are the characters financial markets often reference when discussing the risks and opportunities.

INVESTING

Duck (curve):

A graphic representation of the effect solar power has on demand for electricity.

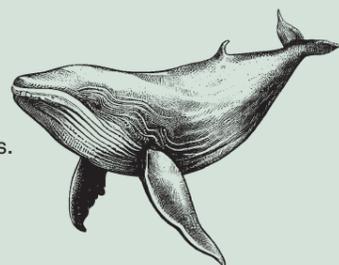


Sheep:

Investors with a herd mentality - followers of trends they tend to be the last to enter a bull market and exit bear markets late.

Whales:

Large institutional investors who have the potential to change the market with their huge transactions.

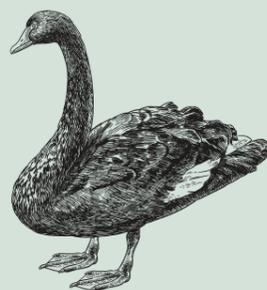


Ostrich:

Many seek only the information that supports their belief - ignoring contrary news. They suffer from confirmation bias.

(Black) swan:

An unprecedented and unexpected (at the point in time it occurred) event. However, after evaluating the surrounding context, experts usually conclude: “it was bound to happen.”



MARKETS

Bulls:

An investor who thinks the market, a specific stock or an industry is poised to rise. Bulls are optimists. A bull market is one that is rising.



Bears:

An investor who thinks the market, a specific stock or an industry, is poised to fall. Bears are pessimists. A bear market is one that is falling.

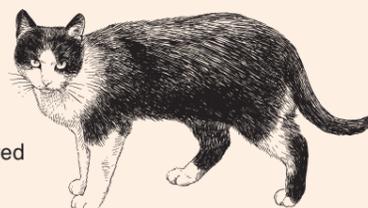


Hawk:

Someone who generally favors relatively high interest rates in order to slow economic growth and keep inflation in check.

(Dead) cat (bounce):

A temporary recovery from a prolonged decline followed by the continuation of the downtrend; a small, short-lived recovery in a falling market.



Tiger (market):

Any of the four most important markets on the Pacific rim after Japan: Hong Kong, South Korea, Singapore, and Taiwan.



Dove:

Someone who generally tends to favor loose and more accommodating monetary policies* such as low interest rates.

*Monetary policy is a central bank's regulation of money in circulation and interest rates.

MYTHICAL BEASTS

Dracula stocks, unicorns and zombies

Animal spirits:

Coined by British economist John Keynes, this refers to the emotions driving financial decisions in times of economic stress or uncertainty.

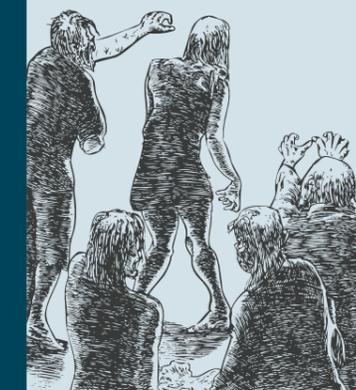


FAANGs:

An acronym of five prominent American technology companies: Facebook, Amazon, Apple, Netflix, and Alphabet (formerly known as Google).

Unicorn:

A term used in the venture capital industry to describe a privately held start-up company with a value of over US\$1bn.



Zombie:

Companies that earn just enough money to continue operating and service debt, but are unable to pay off their debt.