

READING ONLINE FINANCIAL TABLES

Online financial tables provide important information for the investor. Like any other economic activity, gathering information is not “free”. It takes time and effort, and sometimes it can cost money for detailed research information and opinions. Economists refer to the cost of gathering information as information costs. Just a few years ago, if you wanted to find out information about a stock, you would probably have to look through pages and pages of confusing tables in the newspaper. Nowadays, finding real-time information on stocks and other investments is pretty easy by using the internet. And while this is MUCH easier than hunting through tables in a newspaper, sometimes making sense of the online financial tables can still be a little tricky.

One of the most popular sources for online financial info about stocks is Google Finance (finance.google.com). An example of financial tables found on this site are shown with information on Kellogg Company.

STOCK INFORMATION

The following is a summary of the basic information that people are interested in knowing about a stock. Use this information to help you with the questions on the following pages.

Ticker Symbol and Exchange: Next to the company name is listed the stock’s ticker symbol (1 to 4 letters that are used to represent the stock) and the stock exchange on which it is traded (NYSE, AMEX, NASDAQ). In the example, Kellogg’s ticker is “K” and it is traded on the NYSE.



Stock Price: The current stock price (or last trade) is usually the largest number in the table. In the example, Kellogg’s current price is \$63.41 per share. That means that at the time this screenshot was taken, you could buy one share of stock in Kellogg for \$63.41. Notice also that it shows the change as -0.38 (0.60%) ... this means that compared to the closing price yesterday (or “Prev. Close”), the stock is up \$0.38 (or 0.60%).

Open, High, Low (or Day’s Range): The “Open” is the stock price where it started trading that day. So, Kellogg opened at \$63.66 per share on the date shown. Then as people bought and sold the stock, the price fluctuated up and down. The high price so far that day was \$63.82 and the low price was \$63.25 (or the day’s range was \$63.25-\$63.82).

52Wk High, 52Wk Low (or 52wk Range): It is helpful to look at where the stock has traded over the past year (52 weeks). This can tell you how the current stock price relates to how it has traded in the past. For Kellogg, the range is \$58.76 to \$74.28. At some point in the past 52 weeks, it traded as low as \$58.76 and as high as \$74.28. Today, the price is \$63.41, which is pretty much in the middle.

Market Cap: This is how much the entire company is worth today. It is calculated by multiplying the total number of shares outstanding by the current stock price. In the example, Kellogg is worth \$21.94 billion.

P/E Ratio: This is a ratio of the current stock price divided by the earnings per share. It tells you how “expensive” the stock is in relation to other companies. For Kellogg, the P/E is 17.44. The higher the P/E, the more expensive the company is relative to others.

Dividend: This is how much the company pays to shareholders each quarter in the form of a dividend. Not all companies pay a dividend (some hold onto all their earnings). Kellogg pays \$2.16 per year in dividends or 3.41% of its stock price (dividend yield).

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Use the information below on Macy's to answer the questions below.

Macy's Inc

NYSE: M

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29.40 USD +0.46 (1.59%) ↑

1 day 5 days 1 month 1 year 5 years Max



Open	29.00	Div yield	5.14%
High	30.09	Prev close	28.94
Low	28.96	52-wk high	31.04
Mkt cap	8.93B	52-wk low	17.40
P/E ratio	9.24		

QUESTIONS (use the table above to answer all of these questions)

1. What stock exchange is Macy's traded on?
2. What is the current stock price for Macy's in the table?
3. Where did the stock close on the previous day?
4. How has the stock traded over the past year (give me the high and low)?
5. How is the stock performing recently (compare current price with the 52-week range)?
6. What is the market cap of Macy's? What does this mean?
7. Does Macy's pay a dividend? If so, what is the yield?
8. What is Macy's P/E ratio? How is this calculated?

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Use the information below on Kroger to answer the questions below.



QUESTIONS (use the table above to answer all of these questions)

1. What is Kroger's ticker symbol?
2. What is the current stock price for Kroger? How much is this up or down from the previous day's close?
3. If somebody wanted to buy the entire company, how much would they have to pay at the current price?
4. How is the stock performing recently? How can you tell?
5. Does Kroger pay a dividend? If so, what is the yield?
6. What is Kroger's P/E?
7. If Wal-Mart's P/E is 27.35, which one do you think is more "expensive"? What might explain this?
8. Would you invest in Kroger now? Why or why not?