

Discussing Trends and Stocks



1. Read the story and match the underlined vocabulary to the definitions below

Brett is a stockbroker who works at Greystone, a company which invests their customers' money in a variety of stocks. If the stock prices increase, the customers are happy, but if they decrease, the customers start asking why they are paying such high fees to Greystone. Greystone mostly invests in large construction companies. Construction stocks are normally very stable, but profits have crashed recently, mostly due to a sharp rise in construction costs. As a result, Greystone has decided to invest in more stocks outside of the construction industry. Brett's Boss Darcy knows that many technology stocks have risen a lot recently, and has asked Brett to research 3 up and coming technology stocks for Greystone to invest in.



The first company Brett recommends is a company which makes 3D printers called Box Builder. The company's stock price has fluctuated a lot due to investors being unsure about 3D printing technology, but the CEO said the company's sales could grow by as much as 50% next year.

The next company Brett recommends is a company called Nikola Trucks. They make trucks that don't run on petrol or electricity, but on hydrogen. This is a very new and exciting technology, and even though Nikola hasn't actually started selling their trucks yet, the stock price has shot up since Nikola released a promotional video showing how the hydrogen trucks work.

The final company Brett recommends is called Future Fridge. The stock price of Future Fridge was stable last year, but Brett has researched the company and feels that they are going to grow a lot in the coming years, mostly due to their production costs dropping.

Go up (x3) *increase, grow, risen*

Go up quickly (x2) *sharp rise, shot up*

Go down (x2) *decrease, dropping*

Go down quickly (x1) *crashed*

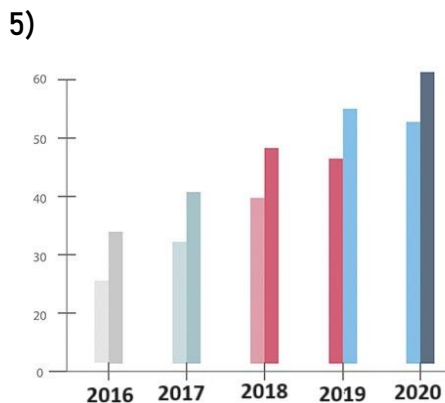
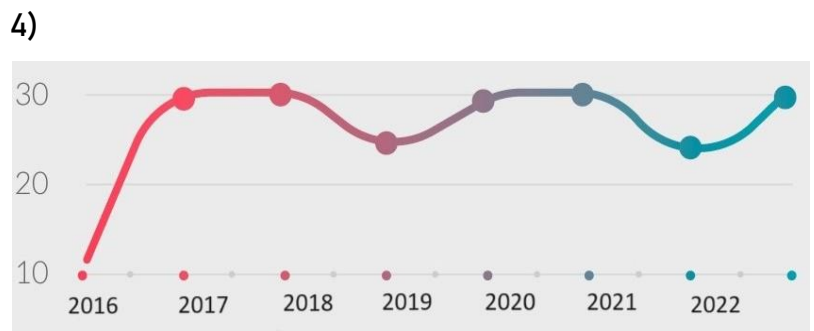
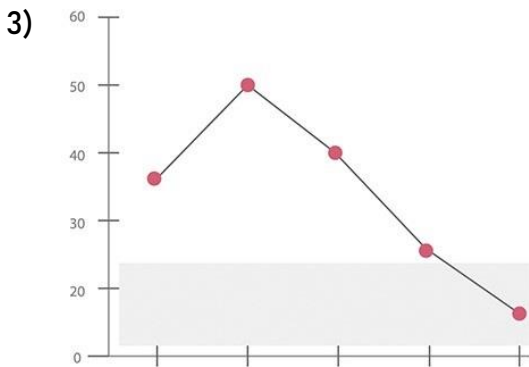
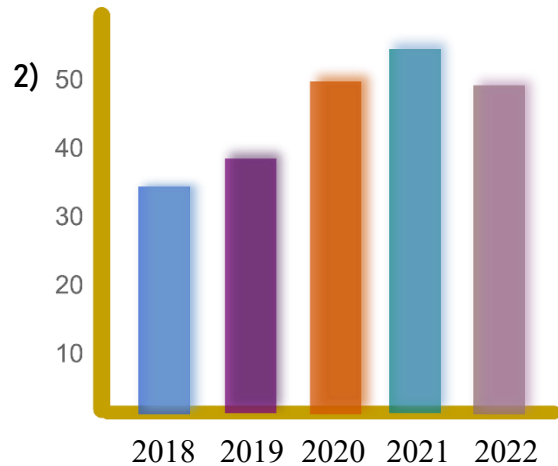
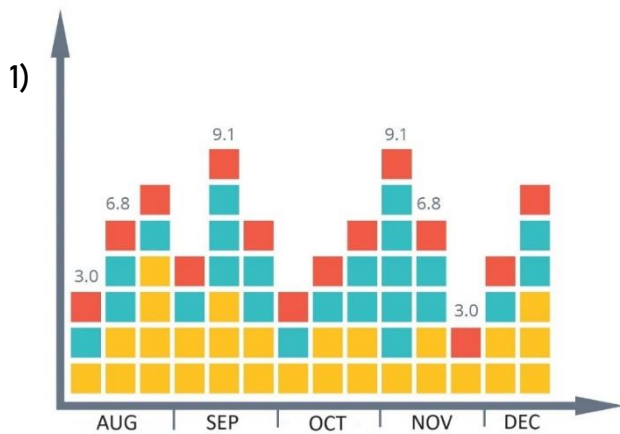
Go up and down quickly (x1) *fluctuate*

Something that stays the same (x1) *stable*



2. Match the sentences to the charts below.

- a) "The cost of oil rose for 3 years in a row, but then fell in 2022." (2)
- b) "As you can see, the revenue and profit have risen steadily since 2016." (5)
- c) "The amount of serious traffic jams fluctuates between approximately 3 and 10 each week. Our worst weeks were in September and November." (1)
- d) "Complaints dropped slightly in August, but after that have continued rising." (6)
- e) "The number of accidents peaked in August, but has steadily decreased since then." (3)
- f) "The stock price increased sharply in the beginning, but has stayed more or less stable since then." (4)



Adverbs for more information

Adverbs are often used to give more information to verbs.

Eg. *"The price is slowly increasing."*

"Slowly" gives us more information about *how* the price is increasing. These adverbs can be very useful when describing trends.

 3. Use the adverbs in the box to complete the sentences below (more than one correct answer is possible).

slightly steadily dramatically sharply gradually suddenly

- a) In 2008 the market *suddenly* crashed, very few people saw it coming.
- b) The amount of overtime our employees are working has risen *sharply/dramatically* recently because of this huge new project. Everybody is working late every day.
- c) Our revenue has *slightly* decreased this month, but it's nothing to worry about.
- d) The number of products factories can produce has *sharply/dramatically* increased due to improvements in technology.
- e) The company was discovered to be a fraud, so the stock price dropped *sharply/suddenly*.
- f) Online spending went up *dramatically/sharply* around 2010 because of companies like Amazon and eBay.
- g) We have *slightly* reduced our prices from \$3.58 a litre to \$3.55 a litre.
- h) The amount of people who own a TV has *gradually* decreased over the last 10 years.


Present Perfect vs Past Simple

Two of the most important past tenses are present perfect and past simple. Past simple is used to discuss things that are in the past and finished.

Eg. *"In 2008 the amount of active Facebook users rose by 15 percent. They didn't have a lot of competition from other social media sites."*

Present perfect is used to talk about something that started in the past, but still continues to the present moment.

Eg. *"This year the amount of active Facebook users has risen by 3 percent. They haven't had a good year so far."*

 4. Read through the sentences in exercise 3 again and decide which are past simple and which are present perfect.

5. Brett is going to present his recommendations for which stocks to buy to his boss, Darcy. Listen to the conversation and answer the questions.

a) Why is Brett nervous about being the only person working on this project? *Because he does not want to be held responsible if it goes badly.*

b) Why does Darcy think Brett doesn't have to worry? *Because ultimately Darcy is responsible for the stocks.*

c) What type of 3D printers does Box Builder make? *Large printers to be used in factories.*

d) How much has Box Builder's stock price increased by so far this year? *34%*

e) Why did Nikola's stock price rise, and by how much? *By 40%, because they released a promotional video that made people excited about hydrogen technology.*

f) What type of fridges does Future Fridge make? *High-tech fridges that sense when you are running out of something and can also make shopping lists for you.*

g) Why does Brett think Future Fridge will become profitable in the future? *Because they are moving their factories to China and starting to make their software themselves, both of which should reduce the cost of making the fridges.*

h) What do you think of these investments? Do any of them sound like particularly good or bad investments to you?



6. Pairwork: ask and answer the questions below with a partner. Try to use some of the new vocabulary and structures you have learned so far.

a) Do think this year has been a good year for your country's economy? Why or why not?

b) Do you think working from home increases or decreases people's productivity?

c) Do you think traffic has increased or decreased in your city in the last 5 years? What do you think your government could do to reduce traffic?

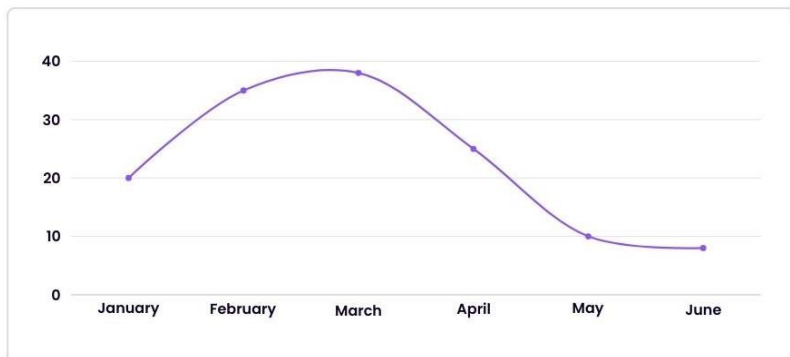
d) How has your hometown changed since you were a kid? What are some things that have become more or less common?

e) Do you think junk food has become more or less popular since you were a kid?

f) Do you think stock prices of big companies like Amazon and Apple will rise in the future?

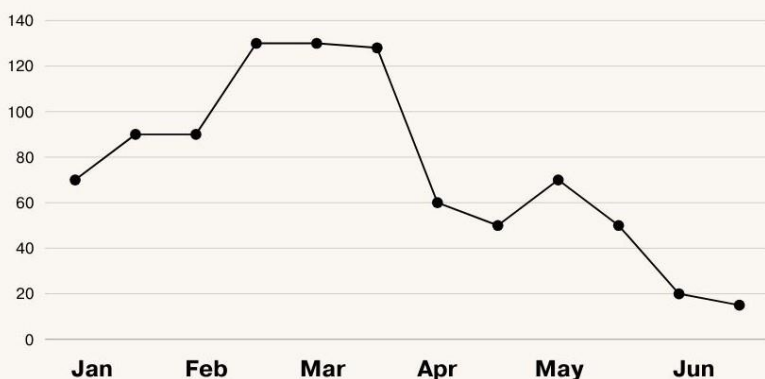
7. Greystone invested in Brett's choices, and unfortunately over the past six months all three stocks have fallen. Read the charts and Brett's notes to see what happened.

Box Builder



- Feb- Fantastic news! BB up by 70%!
- April- Not good. Nobody is buying the 3d printers...

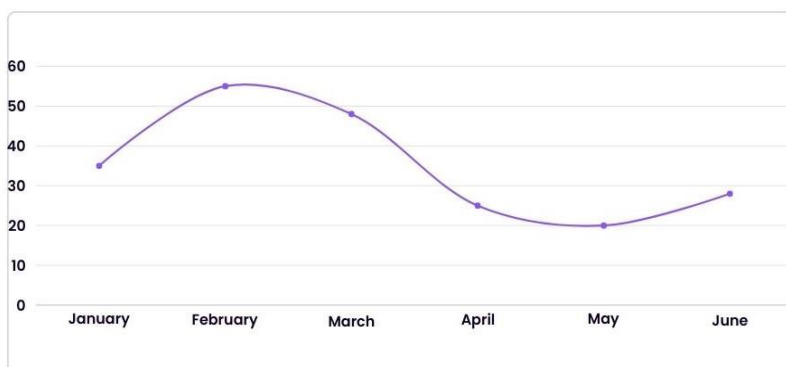
Nikola Trucks



Loss - 79%

- Feb - Excellent growth!
- March- Rumours in the market that Nikola trucks don't work...
- May- The promotional video was a fake! The truck in it actually ran on petrol! Is Nikola a fraud??

FUTURE FRIDGE



- Jan- Fridges came out at new price, more affordable, sales are soaring!
- March - Apparently the new fridges are terrible quality, and so is the new software.... What else could go wrong??



8. You have to give a short presentation to explain what happened with each of the 3 stocks in exercise 7 and why. Use the space below to plan your presentation.

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9. Darcy is going to discuss the losses with his boss, Janet. Listen to the conversation and answer the questions.

- a) How much have the tech stocks gone down on average? *50%*

- b) Why does Darcy say he didn't get more people to help Brett choose the stocks?
Because Brett wanted to work overtime.

- c) Why did the Box Builder stock price drop? What was the problem with their business? *It costs more to make things with 3D printers than with normal methods.*

- d) What caused the Nikola stock price to increase in February? *They got a contract to supply a delivery company with hundreds of trucks*

- e) Why did the Future Fridge stock price rise slightly in June? *Because they went back to the old software that was better than the software they tried to make themselves.*

- f) Who does Darcy blame for the losses? Whose fault do you think it is? *He blames Brett. It is probably both Darcy's and Brett's fault. Brett did not properly research some of the stocks, but Brett only put one person on a very important project.*



Audio Transcript

Darcy: So Brett, how did you go with researching the new stocks?

Brett: Well it was a lot of work, I had to stay at work late every day for the past 3 weeks, but I found a few stocks that I'm quite optimistic about. But I have to say, I'm surprised that I was the only person working on this. Wouldn't you normally want a whole team of people researching something like this?

Darcy: Normally yes, but as you know we're trying to reduce staff hours at the moment, and that means putting less people on projects like this. I decided that you could do this alone.

Brett: Ok... I just don't want to be the one held responsible if these stocks go down in the future. Also I have to say, I have a new baby at home, and I really don't want to do this much overtime.

Darcy: Don't worry Brett, I take full responsibility for the rise and fall of our investments. At the end of the day it's up to me to decide what we invest in. If we select a stock and then it crashes, I'm the one who has to answer to Janet and the investors, not you.

Brett: Ok, that's good to hear, it just seemed a bit unusual that I'd be the only person working on such an important project. Anyway, shall I present my stocks to you?

Darcy: That would be great.

Brett: Ok great. So the first stock I want to look at is a 3D printing company called Box Builder. The popularity of 3D printing has shot up dramatically in the past 10 years, and Box Builder has a great idea: bring 3D printers into factories and replace more traditional machines. You could build everything from water bottles to furniture to aeroplane parts with a 3D printer.

Darcy: So Box Builder make 3D printers?

Brett: That's right, but huge 3D printers for factories, not for personal use. Last year the Box Builder stock price fell by 25% because people were unsure if the technology actually works, but this year the stock price has increased by 34% so far, and I think this is just the beginning.

Darcy: Well that sounds exciting, I'll look into it. What else did you find?

Brett: I also found a truck company called Nikola. They make trucks that run on hydrogen, which is a great way to reduce pollution. They're also the very first company to make a truck that runs on hydrogen.

Darcy: Wow! And you're sure these trucks work?

Brett: I am. Nikola released several promotional videos showing the trucks driving through the desert, advertising them as the very first working trucks that run on hydrogen. A lot of investors were very impressed by the video, so the stock price shot up by 40% last month.

Darcy: Very impressive. And what was the third stock you chose?

Brett: The third company is a company called Future Fridge. They make high tech fridges that have sensors inside them that send a message to your phone if you're running out of something. It also uses A.I to make a shopping list for you every week.

Darcy: Oh wow, that's a great idea. Have they made a lot of profit so far?

Brett: Unfortunately so far they haven't made any profit. At the moment their fridges are very expensive, costing more than \$10,000 dollars each. Not many people want to pay \$10,000 for a fridge, and the number they sell has fallen every year.

Darcy: Ok... that doesn't sound great to be honest. Why should we invest in a company if their sales are decreasing?

Brett: Well last month Future Fridge moved their factory to China, which means the cost of producing a fridge has dropped by almost 60%. On top of that, they were paying an outside company for the software required to monitor the fridge's contents, but now they're going to start making their own software in house. Both these things have allowed Future Fridge to decrease the price of the fridge from \$10,000 to \$4000. I think their sales will increase a lot because this.

Darcy: Interesting. Ok great, thanks for your work Brett, I'll do my own research on these stocks and let you know what we decide.

Janet and Darcy

Janet: Hi Darcy, come in, we have a lot to talk about.

Darcy: Hi Janet, yes we do. Did you have a look at the report I sent over?

Janet: I did. The numbers don't exactly look great. On average the value of the tech stocks you selected has decreased by almost 50%.

Darcy: To be fair, I didn't select these stocks.

Janet: Oh? Who did?

Darcy: It was Brett Chalmers, a financial advisor who has worked here for years. I trusted his expertise, but obviously he didn't do a good job of researching them.

Janet: It was Brett alone? Why didn't we have a whole team of people researching these stocks?

Darcy: Well.... Brett said that he could handle it himself. I offered to give him some colleagues to help him, but he said he would prefer to do it himself.

Janet: He said no to more people helping him? Isn't that a bit unusual?

Darcy: It is... I think he wanted to work more overtime.

Janet: Well.... Interesting. I think I'll have to talk with Brett after this. But for right now, I want you to explain to me what happened with each of these 3 stocks. I need to be able to explain it to our investors, and right now they're not very happy.

Darcy: Understandably, Brett really messed up on this. But Ok, I'll start with Box Builder. Box Builder makes 3D printers for factories, basically huge machines that can make anything.

Janet: That... seems like a good idea. What went wrong?

Darcy: Well, as you can see, in the first month the stock price rose pretty sharply from \$20 to \$35. An increase of almost 100% in one month... we were pretty happy with that. But then in March... well it came out that although these 3D printers are amazing technology, they're also extremely expensive to run. Almost no factory wants to buy them because it's almost always cheaper to just build things the normal way.

Janet: And Brett didn't figure that out while he was researching the company?

Darcy: No, he didn't. I'm as disappointed as you are.

Janet: Ok, tell me about this Truck company "Nikola."

Darcy: Well in February the Nikola stock price went up by approximately 30% because they signed a huge contract with a food delivery company to supply them with hundreds of trucks. But then at the end of March the price fell sharply because an employee inside Nikola said their trucks don't actually work. Apparently the hydrogen technology just isn't ready yet.

Janet: So that's why the price fell so much in March, but why did it fall again in May?

Darcy: Well... Nikola released a video showing their trucks driving as a demonstration, and this made the market very excited for hydrogen trucks... but then in May it came out that the videos were basically fake. The trucks in the video were driving on petrol, not hydrogen. This caused the stock price to decrease by another 30%.

Janet: In other words the company isn't trustworthy?

Darcy: That's right, and the share price has crashed by 79% as a result. It's still not clear if Nikola actually has made trucks that work, but at this point I think the whole company might be a fraud. Now, moving onto Future Fridge. Brett thought sales at Future Fridge would go up a lot as a result of them decreasing their costs by moving their factory to China and making their software themselves. At first the stock price went up because this made a big increase in Future Fridge's sales, but then the customer reviews for the new Fridge's started coming out... apparently the quality of the fridges has dropped dramatically. They used to be the most expensive fridges on the market, but also the best. Now they're still expensive, but the quality of the software and the quality of the fridge itself has decreased a lot, and their customers are not happy. As you can see, the stock price has fallen steadily since February. However it has risen again slightly because Future Fridge announced they were going back to the software they used before they tried to make it themselves.

Janet: That seems to be the only good news in this whole thing. I have to say I'm pretty shocked by this.

Darcy: Me too. I just can't believe Brett could make this many mistakes.

Janet: Neither can I. I won't forget this. Anyway, thanks for your time Darcy.