Recessional Pressure Impacts on the Stock Market
Local Analysis on the Eau Claire Basket

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ECO SYSTEM ANALYSIS - MARKET TREND

The ECB is experiencing a decline in performance during the first quarter of 2008. This is likely due to the uneven weight of the ECB, which often results in a significant decline. The ECB has a larger and more diverse basket of companies than other indexes. This means that when other measures perform well, the ECB will perform poorly, and when other measures perform poorly, the ECB will perform well. This is evident in the charts above, where the ECB consistently performs worse than the other measures during recessionary periods and better during times of economic growth.

ECONOMIC ANALYSIS - INVESTMENT TRACK ANALYSIS

The Dogs of the Dow (DOGS) is an index that tracks the performance of the S&P 500 index, with equal investments in all 500 companies. This index is often used as a benchmark for the overall stock market and is considered to be one of the most diversified and well-established indexes in the world. The DOGS index is composed of the 10 stocks with the highest dividend yields among the 500 companies in the S&P 500 index. These stocks are selected based on their historical performance and are adjusted periodically to reflect changes in the dividend yield of the companies.

The Dogs of the Dow (DOGS) are the ten stocks in the Dow Jones Industrial with the greatest dividend yield. At the beginning of the year, these companies are re-balanced to represent the market cap of the S&P 500, which is weighted towards the largest companies. However, if the economy goes into a full-fledged recession and consumers begin to cut necessity purchases from tech companies, techs will experience some of the most significant losses.

The Street Tracks Gold Shares (GLD) investment is another ETF, which trades at one tenth the cost of an ounce of gold. As a result, GLD invests 100,000 in this investment track, with one tenth of the amount being distributed to each of these ten stocks. When a dividend is paid by one of the companies, the amount is re-invested at the closing price on that day. These investments are considered to be a good way to protect against the volatility of economic conditions, as gold is considered to be a safe-haven asset during times of economic uncertainty.

The Rydex S&P Equal Weight (RSP) investment is an ETF that mirrors the performance of the S&P 500 index, with equal investments in all 500 companies. This index is considered to be a good way to diversify your investment portfolio, as it is less sensitive to the impact of economic conditions on specific industries.

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