



# Investments

## *How to Read the Financial Page*

Suzanne Badenhop, Family and Consumer Sciences

*Learning how to read the financial page in a newspaper is easy if you know the purpose of each column. Once you know how to read the financial page, doing research and following the value of stocks, bonds, and mutual funds is easier and much more informative.*

The tables for stocks, bonds, and mutual funds are very different. Each type of table has specific information related to that investment vehicle.

### Stock Market Tables

Stock market tables are arranged alphabetically by the name or symbol of the company issuing stock. Most stocks are traded on either the New York Stock Exchange or Nasdaq. If you don't find the company you are looking for on one exchange table, look for it on the other. Remember that not all companies are publicly traded. Some companies have privately held stock. Only publicly traded stock appears on the stock exchange tables.

The far left-hand column of a stock market table usually has the heading "52 Weeks." Underneath it are two columns of numbers with the headings "Hi" and "Lo." These two columns refer to the highest and lowest price that this stock traded for in the

past year (52 weeks) plus the current week. For example, here is a partial item from a stock table:

#### 52 Weeks

Hi	Lo	Stock	Sym
74.63	44.13	GenElec	GE

The 74.63 indicates that for the previous 52 weeks, the highest price paid for a share was \$74.63. The lowest price paid for a share in the previous 52 weeks was \$44.13.

The next column gives the name of the company. The heading for this column is labeled "Stock." In the above example, the name of the company is "General Electric." The "Stock" column is followed by a column labeled "Sym." This column contains the symbol that is used to trade this stock on the stock exchange. In the above example, the symbol is "GE."

Occasionally, the shortened title for a company and its symbol are difficult to locate. In that case, you may have to consult another resource to find out a company's name and symbol for the stock exchange. Often a company stock is traded under a

stock

parent company and not under the name by which you know it.

All of the previously mentioned information is followed by several columns of numbers. The column following the company symbol provides information on the annual dividend (in dollars) for a share of stock for this company. The column is headed by "Div." The amount is based on the latest company statement. Companies pay dividends at different times. They may be paid monthly, quarterly, semiannually, or annually. Other disbursements are usually marked by a footnote.

The column following the dividend information is marked "Yld%." The number in this column represents the total annual dividends paid by the company expressed as a percentage of the price of the stock. Here is an example, again using General Electric:

<b>Stock</b>	<b>Sym</b>	<b>Div</b>	<b>Yld %</b>	<b>P/E</b>
GenElec	GE	1.04	1.6	29

In the past year, General Electric has disbursed dividends of \$1.04 per share. This represents a yield of 1.6% of the price of the stock. The current price of this stock was \$66.88. The yield was obtained by dividing the dividends (\$1.04) by the current price (\$66.88).

The next column is another important column in evaluating a stock. It represents the "P/E," or price-to-earnings ratio, of the stock. The number in this column is obtained by dividing the last closing price per share by the company's per share earnings for the previous four quarters. The earnings numbers are obtained from company quarterly financial statements.

The P/E provides a measure of how much you would have to pay for a \$1.00 share of the company's profit. The P/E number is one that is useful

when comparing one stock to another and when comparing the value of one stock over time.

The last four columns of numbers refer to the previous daily activity of each stock. At times, the stock table in your newspaper may pertain to another day. If so, it will state the date of the information. These columns give (in order) the number of shares traded, the highest price per share, the lowest price per share, the last price per share (closing), and the net change from the previous day. Here is the rest of our example for General Electric:

<b>Vol 100s</b>	<b>Hi</b>	<b>Lo</b>	<b>Close</b>	<b>Net Change</b>
43450	69	66.75	66.88	-1.75

The volume is expressed in 100s, so the number of shares of General Electric stock traded on the day in this example was 4,345,000 shares. The highest price paid per share was \$69.00 and the lowest price paid was \$66.75. The last, or closing, price paid per share was \$66.88. The closing price was lower than the previous day's closing price by \$1.75.

Sometimes there are symbols to the left of a company's entry on the stock market table. An explanation of these symbols is usually included with the stock market table. For example, in the General Electric example, there was this entry:

<b>52 weeks</b>	<b>Hi</b>	<b>Lo</b>	<b>Stock</b>
s	74.63	44.13	GenElec

The "s" indicates that there was a stock split or cash equivalent in the previous 52 weeks. There may be other small letters or symbols listed by a company. A table of footnotes explains what each of these symbols represents.

dividends

## Bonds

Tables for corporate bonds have the following columns: company name or symbol, the current yield as a percent interest paid on the bond, volume of bonds traded, the closing price, and the net change.

## Mutual Fund Tables

As with the stock market tables, the mutual fund tables are arranged alphabetically by the name of the company selling the mutual fund. Each company has several mutual funds. Following the company name will be another alphabetical list of the mutual funds for that company. Some companies are listed more than once. To find your mutual fund, you will need to know the company and the name of the fund for that company.

For example, Aetna has two listings – Aetna Advisor Funds and Aetna Select Funds. Here is how they appear on a list of mutual funds:

<b>Aetna Advisor:</b>	<b>Aetna Select:</b>
Aetna	Aetna
Bond	Ascent
Grow	Bond
GrInc	Crossrds
IntlGr	Crossrds
SmCo	rwth
	GrwIncm
	IntlGr
	Legacy
	SmCoGr

Some companies have as many as eight to 10 groups of mutual funds. Within one group, some companies have more than 50 different mutual funds listed.

Mutual fund tables usually have four columns. The fund's name is in the first column. This is followed by three columns labeled "NAV," "Net Chg," and "YTD/%ret." Here is an example of one of the Aetna Mutual Funds as it appears on the list:

<b>Name</b>	<b>NAV</b>	<b>Net Chg</b>	<b>YTD %ret</b>
<b>Aetna Advisor</b>			
GrInc	17.79	+0.07	+26.0



The NAV column stands for Net Asset Value. This number represents the value of one share of this fund. The number is calculated by taking the total value of the fund's assets and dividing it by the number of shares in the fund. In this example, one share of the Aetna Advisor Growth and Income Mutual Fund was worth \$17.79 on that day. The value is calculated by the fund.

The third column shows the net change in the value of one share from the previous day. In the previous example, the value of one share increased 7 cents from the previous day.

The fourth column, YTD, is an abbreviation for year to date. The percentage shown here is the percent return on the investment for each share. The figure shows the change in value of one share over the year to date. This number assumes reinvestment of any dividends.

In the above example, the value of one share of this fund has increased in value 26.0% during the current year. This figure is also calculated by the fund.

Occasionally, the financial table for mutual funds will include additional columns. The additional columns provide percent return information for other time periods, such as the previous four weeks, the last 12 months, the last three years, and the last five years. These figures help the reader understand more about how the value of this fund changes.

Mutual funds have expenses associated with them. Some days this information is printed in the financial table along with the sales commission costs for each fund. Both of these figures are presented as percentages.

# percentage

This is what the additional columns look like for the Aetna Advisor Growth and Income Mutual Fund:

YTD	4Wk	Total Returns			Max Init	Exp
%ret	%ret	1 yr	3yr-R	5yr-R	Chrg	Ratio
+26.0	-6.6	NA..	+27.8A	NS.	0.00	1.83

From the information on this expanded table, we learn that the value of this fund declined by 6.6% in the past four weeks. The return for one year is not available. This is represented by the letters “NA” in the table.

The fund has a 27.8% return for the previous three-year period. The “R” after “3yr” is an indication that this percentage is annualized. The percentage is followed by the letter A. Five letters – A, B, C, D, and E – are used to compare the performance with other mutual funds with the same investment objectives. This fund ranks in the top fifth of growth and income mutual funds. The letter B is used for the second 20%, C indicates the middle 20%, D is for the next 20%, and an E indicates the bottom 20%.

The “NS” in the “5yr” column tells us that this fund was not in existence five years ago.

From the last two columns, we learn that there is no initial sales commission for this fund. Funds with no initial sales commission are referred to as “no-load” funds. The annual expenses for this fund are 1.83% of the average net assets.

Another column that appears with mutual fund listings when there is an expanded listing is the

investment objective, abbreviated “Inv Obj.” For example, using our Aetna example, here are the investment objectives for the Aetna mutual funds:

Aetna Advisor:	Inv Obj	Aetna Select:	Inv Obj
Aetna	MP	Aetna	MP
Bond	IB	Ascent	MP
Grow	GR	Bond	IB
GrInc	GI	Crossrds	MP
IntlGr	IL	Grwth	GR
SmCo	SC	GrwIncm	GI
		IntlGr	IL
		Legacy	MP
		SmCoGr	SC

Mutual funds that are a mix of stocks and bonds have two objectives: balanced (BL) and multipurpose (MP).

Mutual funds that are stock only funds have the following objectives: Capital Appreciation (CP), Growth (GR), Growth & Income (GI), Equity Income (EI), Small Cap (SC), MidCap (MC), Sector (SE), Global Stock (GL), International Stock (IL), European Region (EU), Latin America (LT), Pacific Region (PR), Emerging Markets (EM), Science & Technology (TK), Health & Biotechnology (HB), Natural Resource (NR), Gold (AU), and utility (UT).

Mutual funds that are only bond funds have these objectives: Short-term (SM), Intermediate Muni (IM), General Muni (GM), Single-State Municipal (SS), High Yield Municipal (HM), and Insured (NM).

## References: Wall Street Journal

Photos © 2005 JupiterImages Corporation

Educational programs of Kentucky Cooperative Extension serve all people regardless of race, color, age, sex, religion, disability, or national origin. Issued in furtherance of Cooperative Extension work, Acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture, M. Scott Smith, Director of Cooperative Extension Service, University of Kentucky College of Agriculture, Lexington, and Kentucky State University, Frankfort. Copyright © 2005 for materials developed by University of Kentucky Cooperative Extension. This publication may be reproduced in portions or its entirety for educational or nonprofit purposes only. Permitted users shall give credit to the author(s) and include this copyright notice. Publications are also available on the World Wide Web at [www.ca.uky.edu](http://www.ca.uky.edu).

Issued 10-2005