



UB Equity Research Group

Bonds

Market Event of the Week

Facebook!!

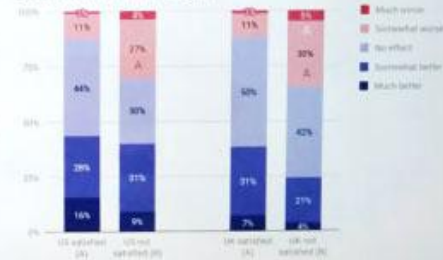
- Whistleblower releases documents
 - Facebook's rules favor elites
 - The algorithms make people angry
 - Drug and human traffickers use the platform with little consequences
 - "We make body image issues worse for one in three teen girls," - FB Internal Report
- Today's hearings
 - Senators call for regulatory action
 - Employees that worked on growth also worked on safety
- Outages
 - Six hour Facebook, WhatsApp, Instagram outage
 - These apps are important
 - Brazilian courts couldn't make appointments
 - Haitians couldn't warn each other about gang violence in neighborhoods
 - Small businesses who rely on Facebook lost revenue



Teens who struggle with mental health say Instagram makes it worse

- Young people are acutely aware that Instagram can be bad for their mental health, yet are compelled to spend time on the app for fear of missing out on cultural and social trends.
- Teens specifically call out the following as ways that Instagram harms their mental health:
 - pressure to conform to social stereotypes
 - pressure to match the money and body shapes of influencers
 - the need for validation -- views, likes, followers
 - friendship conflicts, bullying, and hate speech
 - over-sexualization of girls
 - inappropriate advertisements targeted to vulnerable groups

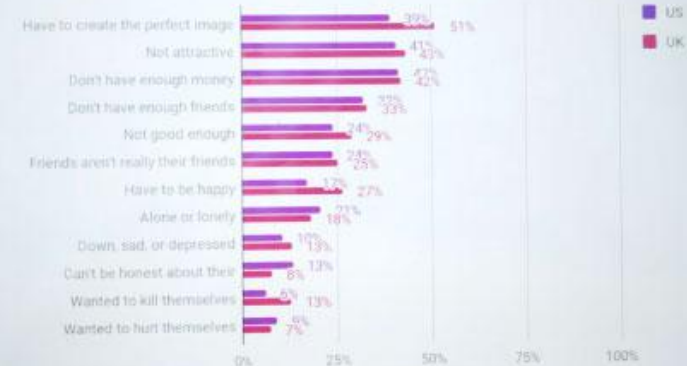
Stated effect of Instagram



Q. In general, how has Instagram affected [the way you feel about yourself/your mental health]?
 There were no statistically significant differences among those who answered for "the way you feel about yourself" and those who answered for "your mental health".
 US n = 1206, UK n = 1207

The perfect image, feeling attractive, and having enough money are the most likely to have started on Instagram

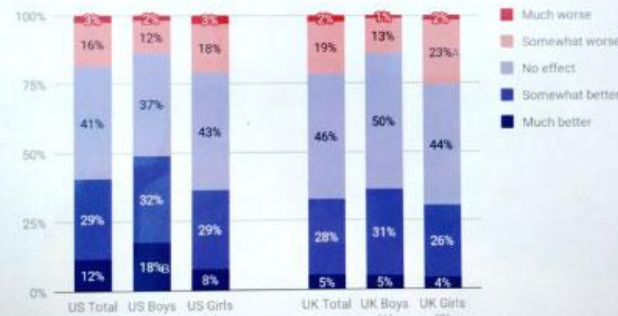
Started on Instagram



Q. Of the things you've felt in the past month, did any of them start on Instagram? Please select all that apply.
 US n = 1206, UK n = 1207

One in five teens say that Instagram makes them feel worse about themselves, with UK girls the most negative

Stated effect of Instagram



Q. In general, how has Instagram affected [the way you feel about yourself/your mental health]?
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FB · NASDAQ

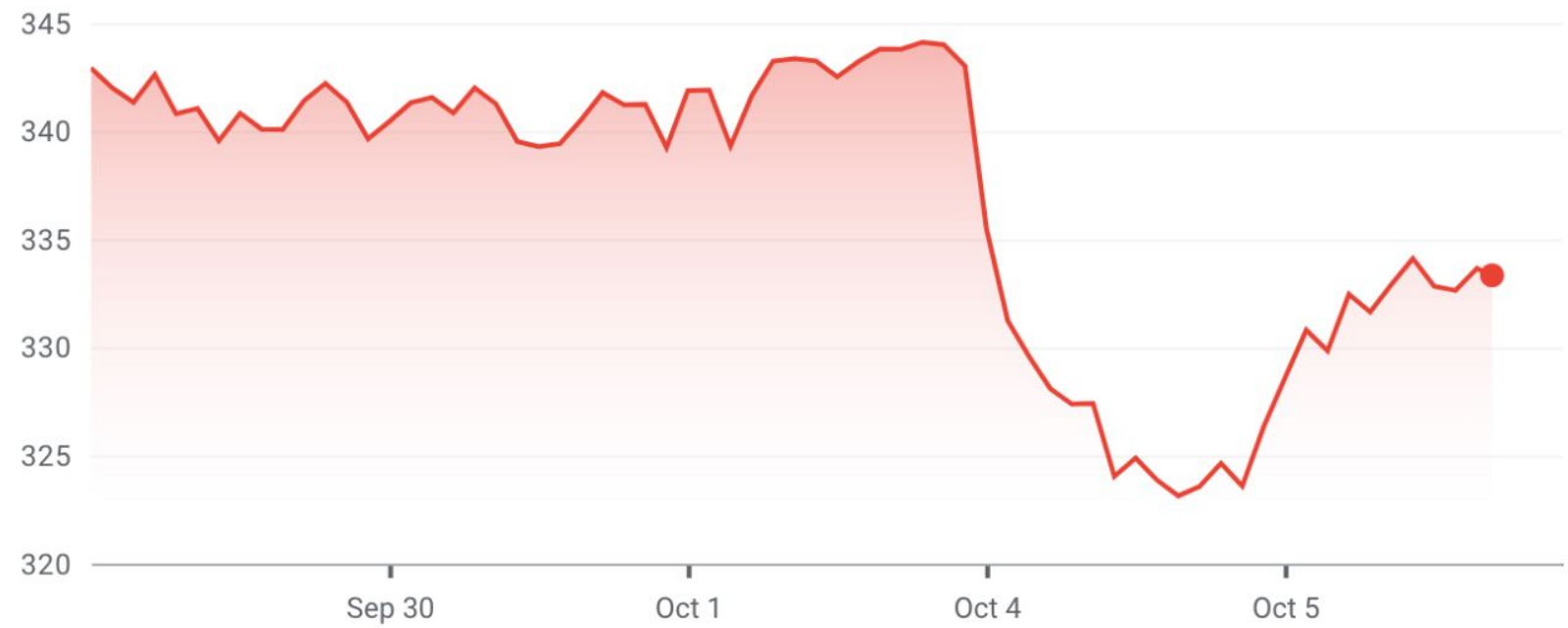
Facebook, Inc. Common Stock

[+ Follow](#) [Share](#)

\$333.32 ↓ 2.80% -9.61 5D

Oct 5, 2:25:44 PM UTC-4 · USD · NASDAQ · Disclaimer

1D **5D** 1M 6M YTD 1Y 5Y MAX



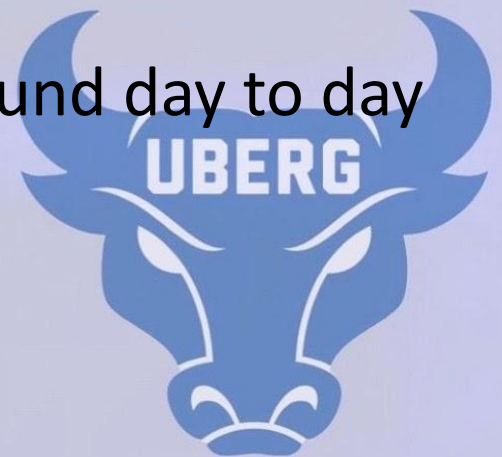
[Trending](#) [Most active](#) [Stock](#)

[US listed security](#)

PREVIOUS CLOSE	\$326.23
DAY RANGE	\$326.16 - \$334.74
YEAR RANGE	\$244.61 - \$384.33
MARKET CAP	940.85B USD
VOLUME	15.69M
P/E RATIO	24.74
DIVIDEND YIELD	-

What is Fixed Income?

- Fixed income is a class of assets and securities that pay a set level of cash flows to investors, usually through fixed interest or dividend payments.
- Many fixed income investors are repaid the principal amount in addition to the interest accrued over the time of maturity.
- Bonds both government and Corporate are the most popular form of fixed income.
- Fixed income investors are paid before common stockholders because they are holding debt rather than a portion of the company. (In the event of bankruptcy.)
- Fixed income refers to companies issuing debt securities to fund day to day operations.



Bonds

- A bond is a **fixed income** tool that represents a loan made by an investor to a “borrower”
In essence you can think of a bond as an I.O.U.
- A bond is a unit of corporate debt issued by companies and governments and securitized as a tradable asset.
- Bonds are referred to as “Fixed Income” because they are paid at a fixed interest rate back to the debtholders, or the investors.
- Bonds when acquired have a maturity date. The maturity date is when the principal amount must be repaid.

For Example: If you bought a 10 year bond 100m bond with a coupon rate of 5%, that means the issuer owes you 100m in ten years time plus 5% interest for every year up until that point or the “Maturity Date”



Yield Rates

A Bond Yield is the return an investor realizes on a bond

Coupon Rate = Annual Coupon Payment / Bond Face Value
(coupon payment is the annual interest paid on a bond)

Yield Rate = Coupon Rate

<https://www.bloomberg.com/markets/rates-bonds>



Different Types of Bonds

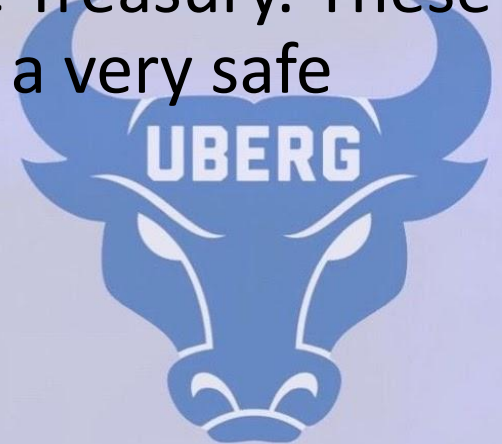
Corporate Bonds- Debt securities issued by private and public corporations

Investment-grade- Bonds with higher credit rating, with less credit risk than high yield bonds

High-Yield Bonds- Lower credit rating, implying higher credit risk, offer higher interest rates for the increased risk

Municipal “Muni” Bonds- Securities issued by states cities and other forms of government

U.S. Treasury Bonds- Bonds issued by the U.S. Department of the Treasury. These bonds are backed by the credit of the U.S. government. They are a very safe investment.



Examples of Bonds

Municipal

General Obligation Bonds - Bonds not backed by any secure assets, they are backed by faith and credit of the issuer

Revenue Bonds - Bonds backed by revenues from a project, highway tolls or a lease fee.

US Treasury

Treasury Bills - short term securities that can mature in a few days to one year

Notes- Securities Maturing within ten years

U.S. Treasury Bonds - Long term, matures in 30 years and pay interest every 6 months.

TIPS (Treasury Inflation-Protected Securities)- Notes and bonds where the principal amount is adjusted based on changes in the CPI. They pay interest every 6 months and have maturity options of 5, 10 and 30 years.



So Why Bonds when \$GME is to the Moon?

While stocks can come with a more immediate reward, bonds are just as viable an option.

- Bonds are a much more attractive option when it comes to growing and preserving wealth.
- As you grow older your risk exposure decreases
- Bonds are a longer term investment with a more definitive outcome and stability for the most part.
- Bonds provide interest payments prior to maturity
- Very Predictable
- Bonds can be used to offset exposure to volatile stocks



10 year Treasury Bond

The 10 year treasury bond yield rate is one of the most important numbers in the Financial and Economic world.

The fluctuation of this rate effects most aspect of the economy.

For example when the 10 year declines mortgage rates will fall also. This is because debt markets and lending rates follow the yield curve. This would in turn strengthen the housing market.

Different turns in the yield are indicators for what the market will do.

Lower rates will lead to a stronger investment economy, and higher rates will slow down economic growth.



Volunteer Opportunity

MBA Student Looking for Volunteer Help!

For a little bit of background, RAHAMA is an Islamic faith based organization that serves women who are victims of domestic violence. They are looking for volunteers who are:

Able and willing to provide transportation for clients to attend ESL classes.

Identify as female (although they may have some opportunities for those who identify as male - these opportunities would not involve client interaction, and this is only because most clients are uncomfortable around males).

Willing to sign a confidentiality waiver to ensure client safety.

If Interested Please Email: dmcrummy@buffalo.edu



Excel Course Options

Bloomberg Market Concepts

<https://www.bloomberg.com/professional/product/bloomberg-market-concepts/>

Wall Street Prep

https://www.wallstreetprep.com/self-study-programs/excel-crash-course/?utm_source=google&utm_medium=cpc&utm_campaign=d-services-na&gclid=CjwKCAjwzOqKBhAWEiwArQGwaHxPLva1OuQPfk7UpKncOFe5vKRT7gKnWCYAihkMxz11vC3AaXBshhoCELAQAvD_BwE

Wall Street Oasis

<https://www.wallstreeoasis.com/financial-modeling-training>



Portfolio Manager Interviews

- Please Send Resume and Cover Letter to:
dmcrummy@buffalo.edu
- Please Have Your Resume and Cover Letter in by 5:00 pm this Friday 10/8!
- The board will review resumes and cover letters and will reach out by Monday at 5:00pm if you are selected to interview.



THANK YOU FOR COMING!



Stay In Touch

IG & TWITTER: UBEQUITYRESEARCH