



## Stock Market Challenge Video Transcripts

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*Bloomberg style studio with Mark Bentley delivering the updates. As Mark delivers the updates the banner across the bottom of the screen can display the current share price.*

### Script 1 (Scenario 1)

The newsreader (analyst) needs to read through the following information.

In our sector updates we note that the construction industry continues to boom as the government commits to building a million new homes to satisfy the need for new housing. There was also a firm commitment from the government to lower interest rates for first time buyers. This will result in significant savings on mortgage deals for first time buyers.

**Banner across the bottom of screen could display the results.**

**The Smart Building Company Current share price +20% trading at 120p**

**The Very Smart Building Company share price +25% trading at 750p**

Meanwhile the airline industry continues to struggle with rising fuel costs being the main reason for falling passenger numbers. Both Smart Airlines LTD and Executive Airlines have seen a significant drop in there share price.

**Banner across the bottom of screen could display the results.**

**Smart Airlines LTD Current share price -10% trading at 738p**

**Executive Airlines LTD Current share price -8% trading at 74p**

In the Energy market prices look like they will continue to rise as demand globally shows no sign of slowing down. This is bad news for consumers as the price increases will inevitably mean higher gas and electric bills.

**Banner across the bottom of screen displaying current share price.**

**Smart Energy Supply share price +5% trading at 1260p**

**Regular Energy share price +4% trading at 374p**

In finance the banking industry is continuing to perform well as the number of mortgages being approved continues to rise. As the housing market continues to be buoyant the future looks good in the mortgage sector.

**Banner across the bottom of screen displaying current share price.**

**Smart Online banking share price +25% trading at 1950p**

**Bingleys Online Ltd share price +30% trading 1104p**

## Script 2 (Scenario 2)

In our sector updates the construction industry continues to perform well as the sector continues to build thousands of new homes. However there was a reduction in the number of first time buyers entering into the market meaning sales of new properties fell slightly.

**Banner across the bottom of screen could display the results.**

**The Smart Building Company Current share price +10% trading at 132p**

**The Very Smart Building Company share price +5% trading at 788p**

The airline industry continues to suffer as fuel costs continue to rise and passenger numbers continue to fall. This trend looks set to continue as many consumers tighten their spending in fear of interest rate rises.

**Banner across the bottom of screen could display the results.**

**Smart Airlines LTD Current share price -10% trading at 627p**

**Executive Airlines LTD Current share price -8% trading at 56p**

Energy prices are climbing at an even faster rate as global demand continues to grow. China being the biggest consumer of energy in the market. In one piece of breaking news the UK based Smart Energy Company has found new gas reserves in South America.

**Banner across the bottom of screen displaying current share price.**

**Smart Energy Supply share price +50% trading at 1890**

**Regular Energy share price +5% trading at 393p**

The banking sector has slowed down as the fears over personal debt worsen. The number of mortgage approvals is also down as obtaining credit becomes more difficult for consumers.

**Banner across the bottom of screen displaying current share price.**

**Smart Online banking share price +2% trading at 1989p**

**Bingleys Online Ltd share price +3% trading 1137p**

## Script 3 (Scenario 3)

The construction industry has seen a sharp slowdown in the number of new homes being built as a result of falling numbers of first time buyers. One bright piece of news in the sector is that The Very Smart Building Company has signed a contract to build 400 luxury homes in West London.

**Banner across the bottom of screen could display the results.**

**The Smart Building Company Current share price +0% trading at 132p**

**The Very Smart Building Company share price +30% trading at 1024p**

The airline sector is still struggling as people opt to stay closer to home for their holidays. On the Luxury front Executive Airlines LTD have signed a contract to take care of all of the Saudi Arabian Royal Family air travel for the next three years.

**Banner across the bottom of screen could display the results.**

**Smart Airlines LTD Current share price -10% trading at 564p**

**Executive Airlines LTD Current share price 60% trading at 90p**

Energy prices have fallen slightly globally. This should be good news for consumers as household bills are set to fall. Although the price drops always take time to filter through to customers.

**Banner across the bottom of screen displaying current share price.**

**Smart Energy Supply share price -5% trading at 1796p**

**Regular Energy share price -1% trading at 389p**

The banking sector has been hit by the number of people who are failing to keep up with their mortgage payments.

**Banner across the bottom of screen displaying current share price.**

**Smart Online banking share price -20% trading at 1591p**

**Bingleys Online Ltd share price -10% trading 1023p**

## Script 4 (Scenario 4)

The construction industry continues to struggle as people are finding obtaining credit harder than previously. The luxury end of the property market continues to grow and properties in luxury parts of London are continuing to increase in value.

**Banner across the bottom of screen could display the results.**

**The Smart Building Company Current share price -10% trading at 119p**

**The Very Smart Building Company share price +10% trading at 1126p**

The airline sector is still showing signs of decline. Many carriers are cutting the number of routes they offer. Fuel costs have also risen again adding to the pressures being faced by many airlines.

**Banner across the bottom of screen could display the results.**

**Smart Airlines LTD Current share price -10% trading at 508p**

**Executive Airlines LTD Current share price +5% trading at 95p**

Energy prices continue to rise as demand globally continues to increase. This is bad news for customers as domestic bills seem set to continue to rise faster than inflation. Some energy suppliers who produce a large percentage of energy from renewable sources are not increasing their prices.

**Banner across the bottom of screen displaying current share price.**

**Smart Energy Supply share price +60% trading at 2874p**

### **Regular Energy share price -5% trading at 370p**

The number of people falling behind with their mortgage payments continues to rise this has directly affected banks cash flow and the banks are now not lending as much money as they were this time 12 months ago.

**Banner across the bottom of screen displaying current share price.**

### **Smart Online banking share price -12% trading at 1400p**

### **Bingleys Online Ltd share price -20% trading 818p**

## **Script 5 (Scenario 5) (Post Brexit)**

There is no respite for the construction industry as it continues to struggle. As the credit crunch continues to affect peoples ability to be able to borrow money, people are deciding not to move and to ride out the crisis. Unfortunately there has also been a downturn in foreign investment since the Brexit vote meaning even the luxury end of the market, which was still buoyant until a few months ago, is also now in a slump to.

**Banner across the bottom of screen could display the results.**

### **The Smart Building Company Current share price -20% trading at 95p**

### **The Very Smart Building Company share price -30% trading at 788p**

The airline sector is also still being affected by the credit crunch. People are just not travelling like they were. The problem has been exacerbated by the weak pound. This has meant that people visiting European countries it now costs 15-20% more than it did before Brexit.

**Banner across the bottom of screen could display the results.**

### **Smart Airlines LTD Current share price -20% trading at 406p**

### **Executive Airlines LTD Current share price +0% trading at 95p**

Energy price have levelled off slightly as the economies of all the large nations slow down. This has led to less production and therefore a slight drop in wholesale prices.

**Banner across the bottom of screen displaying current share price.**

### **Smart Energy Supply share price +2% trading at 2931p**

### **Regular Energy share price +4% trading at 385p**

The number of people falling behind with their mortgage payments continues to increase. If you factor in the effect of Brexit on house prices then we are now seeing a lot of households in negative equity. Particular bad news for Bingley as there involvement in the US market has led to there share price being hit hard.

**Banner across the bottom of screen displaying current share price.**

### **Smart Online banking share price -10% trading at 1260p**

### **Bingleys Online Ltd share price -50% trading 409p**

# Stock Market Challenge Jargon Buster

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<b>Turnover</b>	<p>This is the total amount of money that is taken by a business in a particular period.</p> <p>For example if you sell 1000 items in a year at £10 each your annual turnover would be £10000</p>
<b>Profit</b>	<p>This is the amount of money you actually make.</p> <p>For example if you buy a 1000 items at £500 and sell all of those 1000 items at £1000 then your profit would be £5000</p>
<b>Credit</b>	<p>The ability to obtain goods or services before payment.</p>
<b>Debit</b>	<p>An amount of money to be taken out of an account.</p>
<b>Capital</b>	<p>Wealth in the form of money or other assets.</p>
<b>Credit Score</b>	<p>A numerical score that is calculated to establish someone's ability to pay back the money they owe.</p>

# Stock Market Challenge Company Profiles

## COMPANY FACTFILE: SMART CONSTRUCTION LTD

Sector: **Construction**

Turnover: **£5,500,000**

Profit: **£100,000**

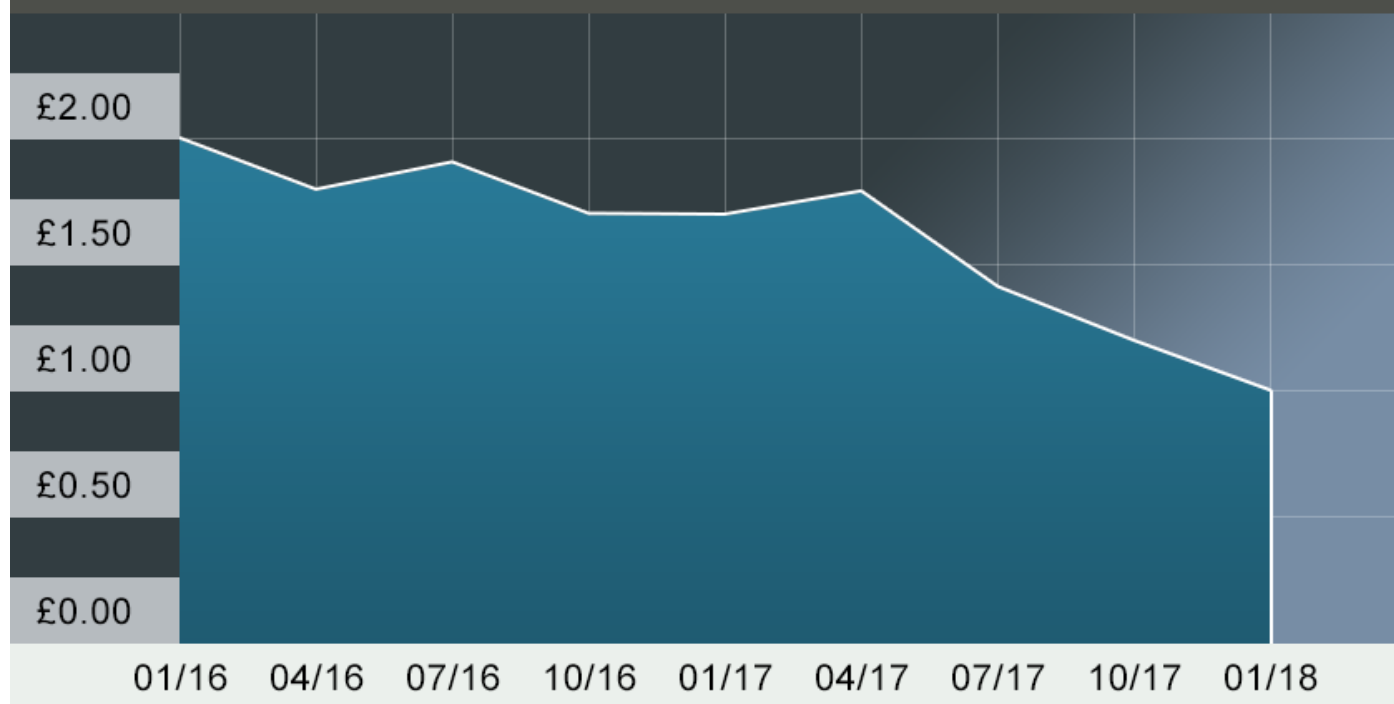
Balance of bank account: **£21,315**

Current share price: **£1.00**



**SMART**  
CONSTRUCTION LTD

## GRAPH OF SHARE PRICE OVER LAST 24 MONTHS



If we take a look at the key indicators for Smart Construction Ltd it is clear that although the turnover is strong for a company this size, the profit is not very strong at all. This might explain why the share price has been steadily declining over the past two years. It is also clear that the company has no cash reserves to protect them from any potential downturn in the market.

## COMPANY FACTFILE: THE VERY SMART BUILDING COMPANY LTD

Sector: **Construction**

Turnover: **£7,500,000**

Profit: **£800,000**

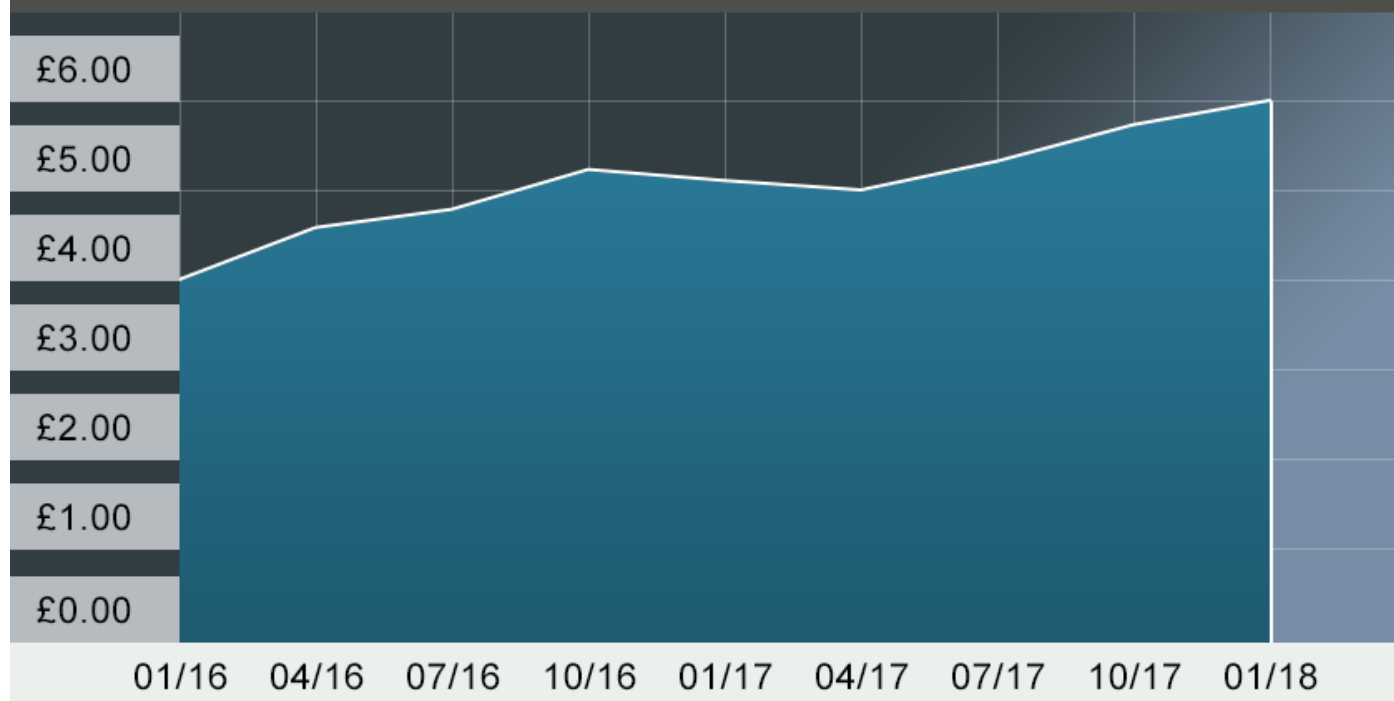
Balance of bank account: **£821,618**

Current share price: **£6.00**



The  
**Very Smart**  
Building company Ltd

### GRAPH OF SHARE PRICE OVER LAST 24 MONTHS



This company is in a relatively secure position. Turnover is strong for a company this size and profits are moderate. There is also a substantial amount of cash reserves currently in the bank to insulate against any downturns in the market.

## COMPANY FACTFILE: SMART AIRLINES LTD

Sector: **Travel**

Turnover: **£21,500,000**

Profit: **£3,100,000**

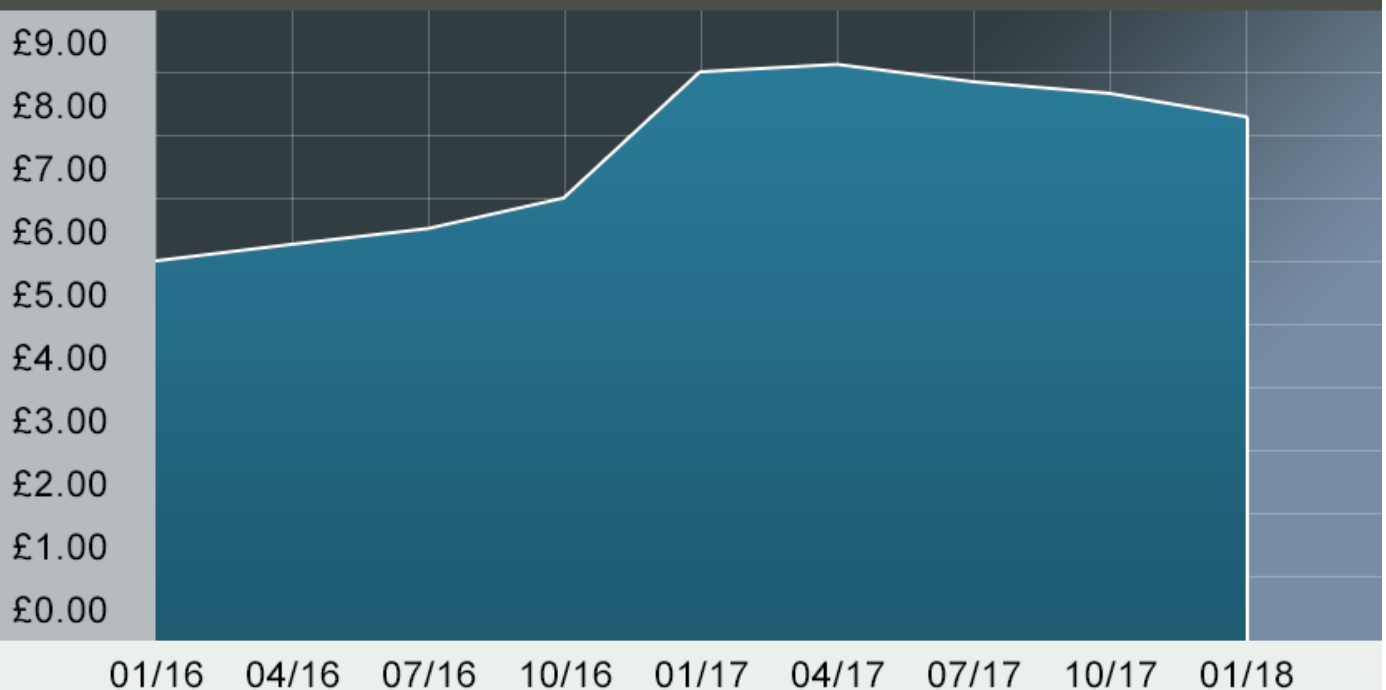
Balance of bank account: **£1,321,315**

Current share price: **£8.20**



**Smart Airlines**

### GRAPH OF SHARE PRICE OVER LAST 24 MONTHS



This airline appears to be in a relatively secure position. Profits are still strong and turnover is healthy. The share price has fallen over the last 12 months but is still up significantly if you look at the share price over a 24 month period. The drop in the last 12 months may be more to do with the increase in fuel costs which has affected the whole sector.



## COMPANY FACTFILE: EXECUTIVE AIRLINES LTD

Sector: **Travel**

Turnover: **£3,500,000**

Profit: **-£120,000**

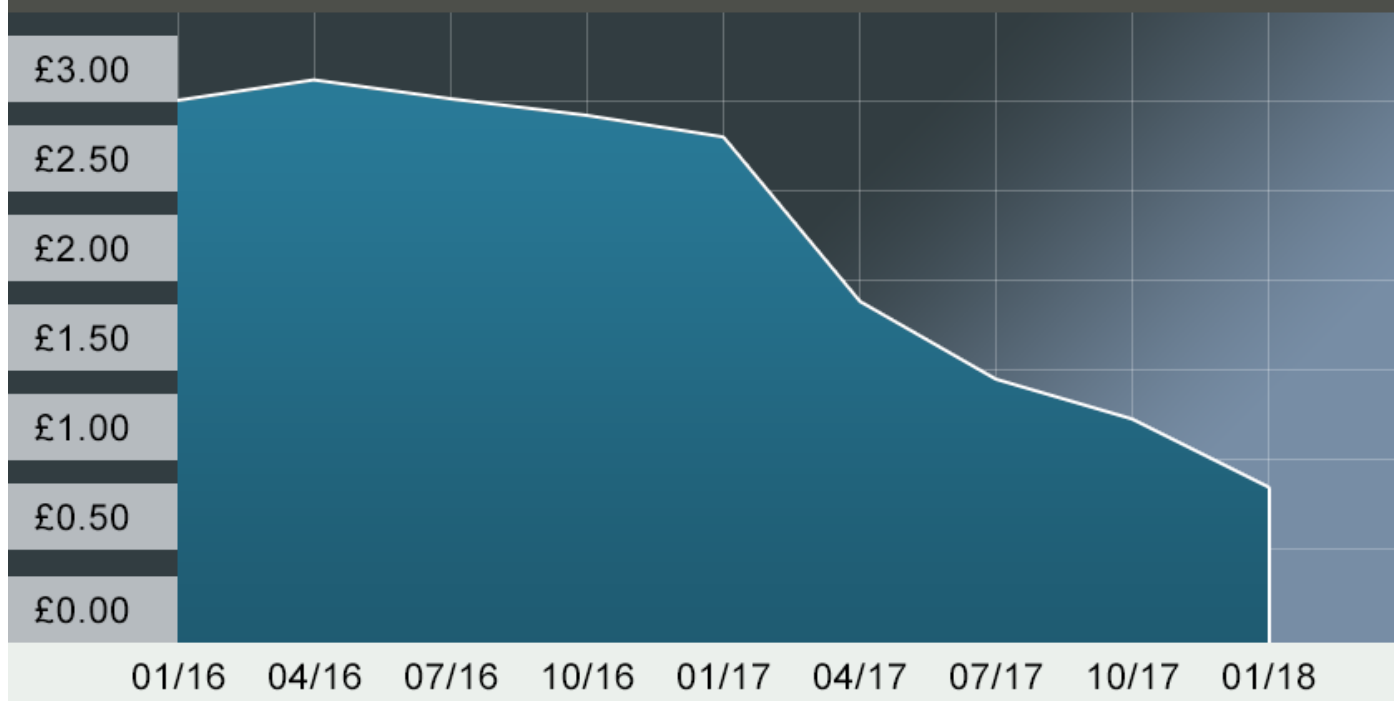
Balance of bank account: **-£121,000**

Current share price: **£0.80**



**EXECUTIVE**  
AIRLINES

### GRAPH OF SHARE PRICE OVER LAST 24 MONTHS



It is clear that things are not looking for this company at the moment. Share price is plummeting. No cash reserves in the bank, no money in the bank, and making a loss. It clearly is a big gamble to buy any shares in this company in its current situation.

## COMPANY FACTFILE: SMART ENERGY SUPPLY

Sector: **Energy**

Turnover: **£65,500,000**

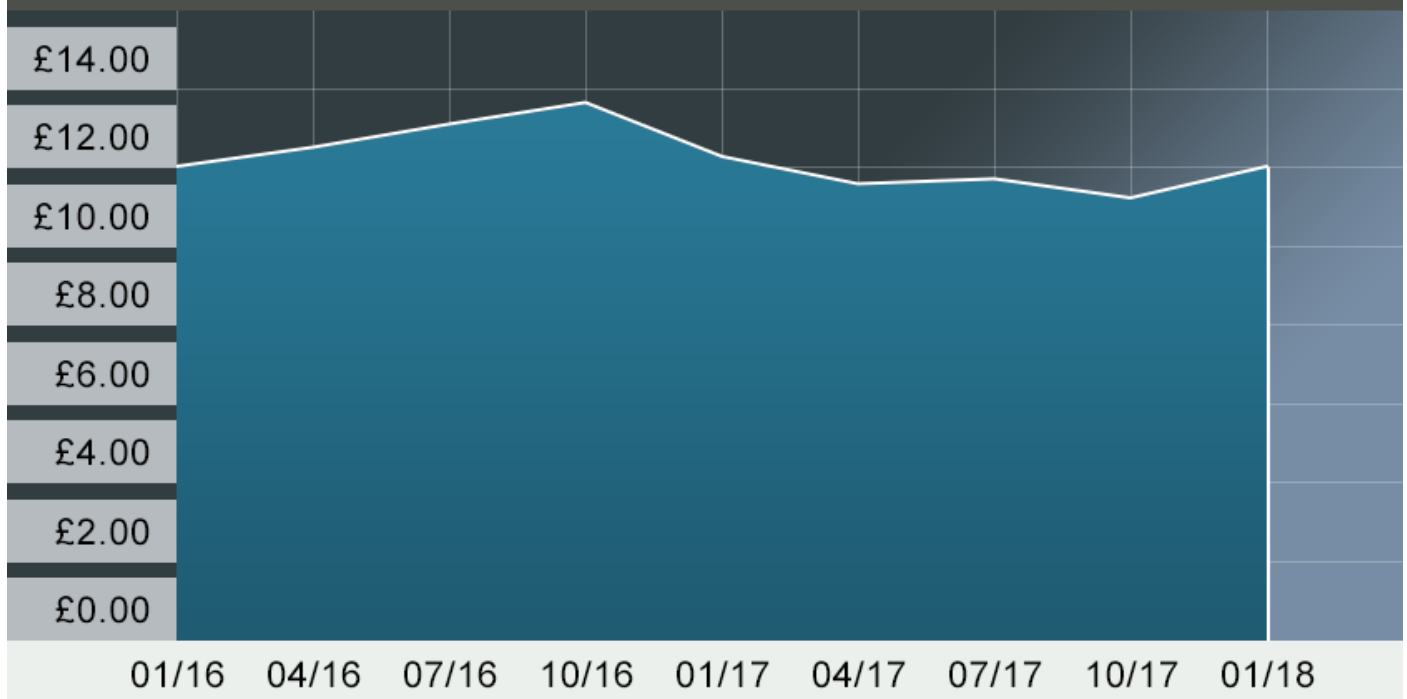
Profit: **£10,100,000**

Balance of bank account: **£2,345,315**

Current share price: **£12.00**



### GRAPH OF SHARE PRICE OVER LAST 24 MONTHS



Overall SMART Energy is in a healthy position as profit remains strong as a percentage of turnover. It is also important to note that half of all electricity supply is produced from renewable sources. I think that this places Smart Energy Supply in a strong position within the Energy market moving forward.

## COMPANY FACTFILE: REGULAR ENERGY LTD

Sector: **Energy**

Turnover: **£5,500,000**

Profit: **-£200,000**

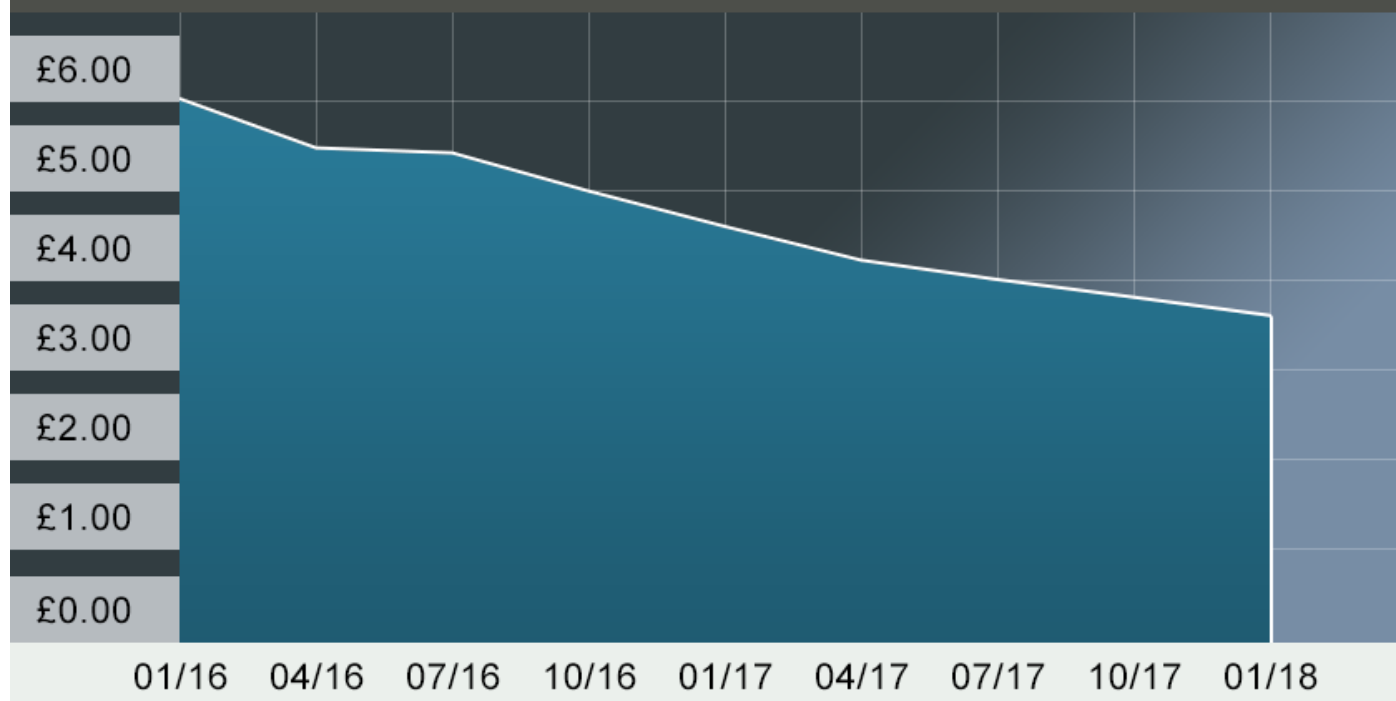
Balance of bank account: **-£1,345,315**

Current share price: **£3.60**



**REGULAR**  
ENERGY

### GRAPH OF SHARE PRICE OVER LAST 24 MONTHS



This company is a smaller Energy supplier that is clearly struggling in an extremely competitive market. Running at a loss already in significant levels of debt and a declining share price. I certainly wouldn't be putting any of my money into this company.

## COMPANY FACTFILE: SMART ONLINE BANKING

Sector: **Banking**

Turnover: **£455,500,000**

Profit: **£154,100,000**

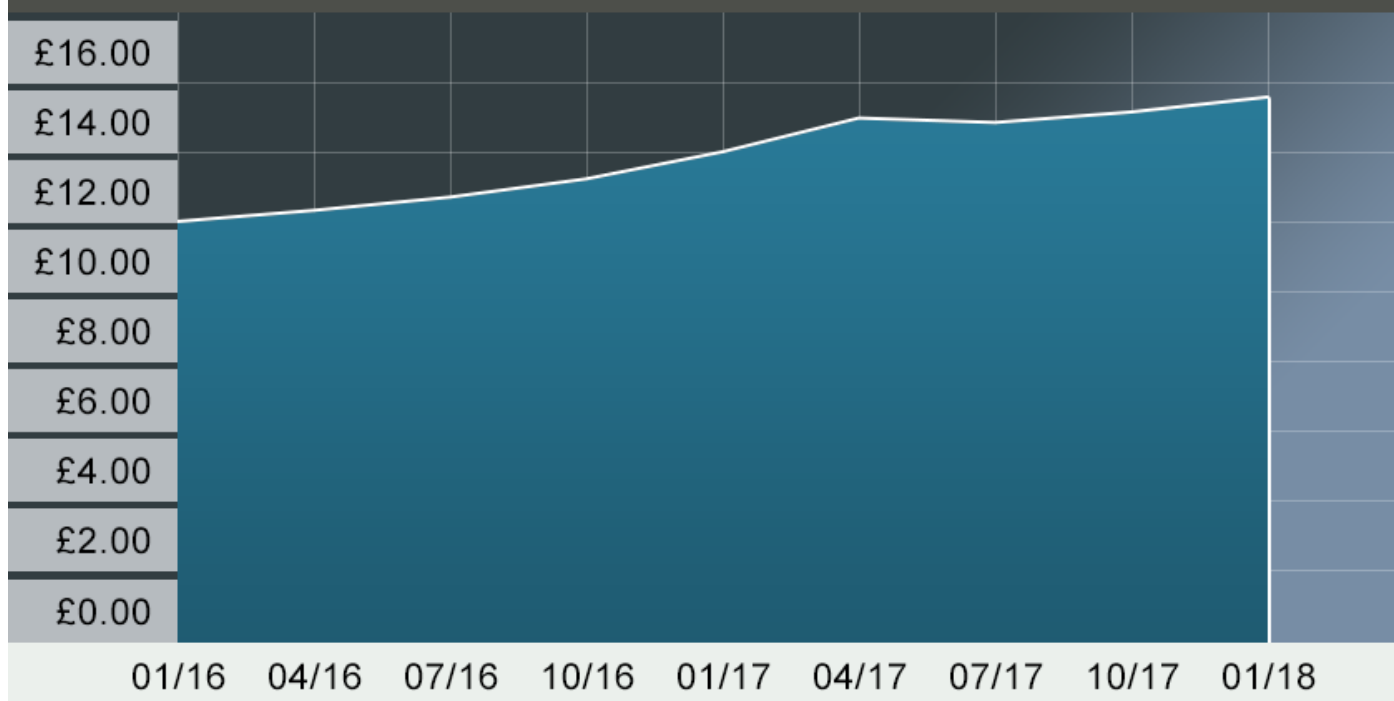
Balance of bank account: **£22,345,315**

Current share price: **£15.60**



**Smart**  
ONLINE BANKING

### GRAPH OF SHARE PRICE OVER LAST 24 MONTHS



Excellent position at the moment. Strong turnover with excellent profit. Some cash reserves and an increasing share price over a sustained period of time. Looks like a solid bet.

## COMPANY FACTFILE: BINGLEYS ONLINE LTD

Sector: **Banking**

Turnover: **£95,500,000**

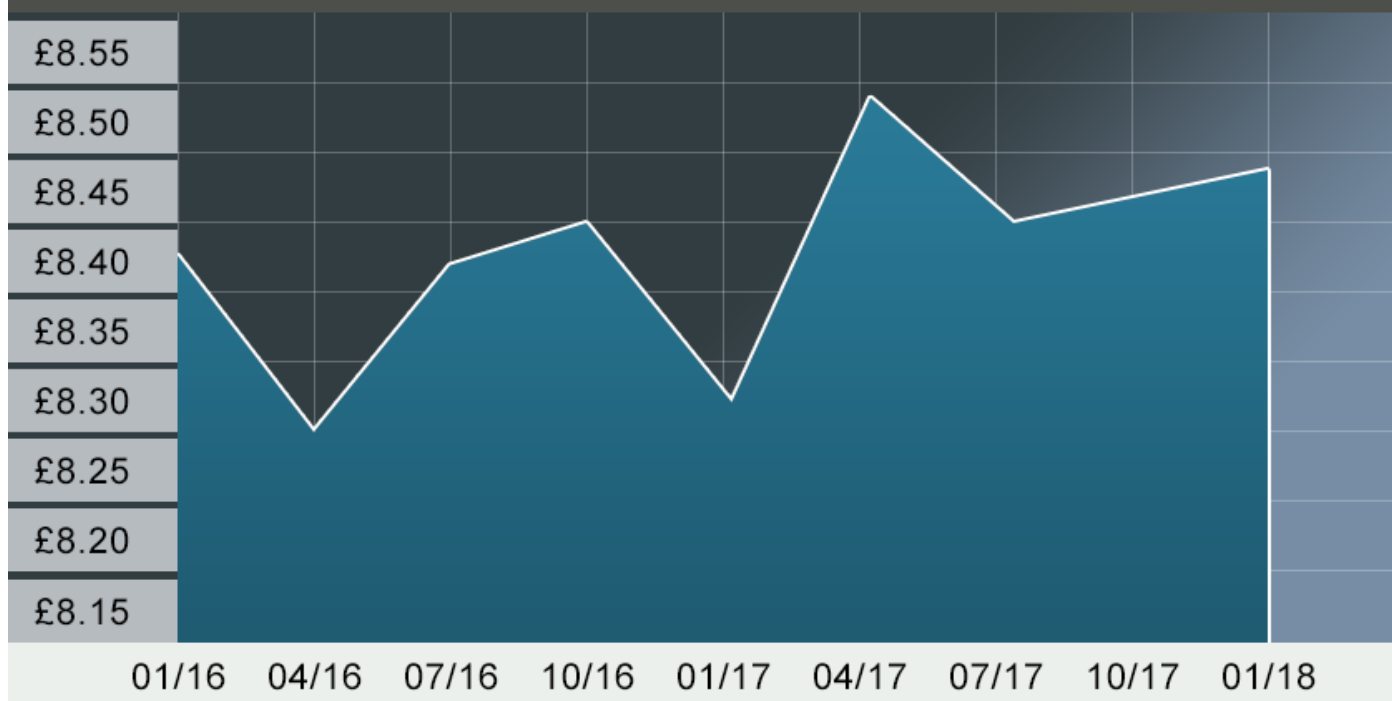
Profit: **£1,343,000**

Balance of bank account: **£1,020,315**

Current share price: **£8.49**



### GRAPH OF SHARE PRICE OVER LAST 24 MONTHS



A much more volatile situation with Bingleys Online Ltd than Smart Online Banking. The share price is erratic. This may be to do with the different way Bingleys credit scores customers. There are definitely some concerns that the bank is more prone to 'bad debt' if there is a downturn in the economy.

# Stock Market Challenge Disaster Scenarios

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## Construction

The construction industry has been severely hit by the financial crisis as banks have stopped lending due to fears over the number of defaults on mortgages. This has meant there has been an 80% drop in the number of house sales compared to this time last year.

## Airlines

Breaking news. All Boeing aircraft have been grounded after a Boeing 747 had to make an emergency landing at LAX. It appears that it is a software problem which affects all Boeing aircraft not just the 747 model. This could have a big impact on SMART AIRLINES LTD whose fleet is all Boeing aircraft.

## Energy

Breaking news. The natural gas supply from Russia has been severely damaged meaning there is currently no supply of natural gas from Russia to Europe. This has major implications for Regular Energy LTD who rely on imported natural gas to deliver the majority of there energy.

## Banking

Huge numbers of people in the US have defaulted on their mortgage payments. This has led to panic in the banking sector as those companies with exposure to the US mortgage market realise they are going to potentially incur huge losses. This will have a large impact on SMART ONLINE BANKING and BINGLEYS ONLINE LTD.