

THE CITY AVENUE JOURNAL.

Dow: -2.06%, S&P 500: -1.37%, NASDAQ: -1.63%, Russell 2000: +1.46%

Note: Returns are calculated for the month of March

IN THIS MONTH'S ISSUE:

- TV Streaming Take-Over
 - AXA Acquires XL
- Facebook Data Scandal

FEATURED SERIES:

- Talk with a recent SJU Grad
- Mark Kramer on the Future of Media



Is a TV Streaming Take-Over Upon Us?

By Daniel Knerr

As the world becomes more and more digitalized, everyday things are going mobile. Mobile payments are being made on Venmo, mobile coupons are being used at fast food restaurants, and music is being streamed on-demand at any time. This seems to be the trend with products going forward. One of the latest things that are beginning to be available on mobile devices is television. We are already seeing this play out with television stations such as NBC, ESPN, and ABC allowing their cable subscribers to sign in on their mobile devices or gaming consoles and live stream sporting events and other live television programs. But this isn't the only type of mobile TV that is currently available.



Continued in "Keeping up with Current Events"

DISCLAIMER: All articles are written strictly for educational purposes, not for investment decisions. All forward-looking statements are simply opinion and not investment advice made by the author.

WORD FROM THE BOARD

Dear Reader,

Thank you for choosing the City Avenue Journal! We, the Capital Markets Board of Directors, wanted to bring you a premier, student led business journal of Saint Joseph's University that would not only be informative, but also riveting and simply enjoyable to read.

We have packed The Journal with a ton of valuable articles, written by students for students (and professors too). When you read the articles, if you come across any questions, jot them down. We encourage you to send us Tweets @CityAve_journal.

If you any additional questions, or are interested in joining, send us an email at cityavejournal@gmail.com.

Now, we invite you to sit back, relax, and enjoy an assortment of fascinating student-produced publications.

Sincerely,

The SJU Capital Markets Club Board of Directors



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MARKET SUMMARY

Sector Performance

Sector	Ticker	Price as of 03/01/18	Price as of 03/30/18	\$ Change	% Change
Consumer Discretionary	XLY	102.95	101.29	(\$1.66)	-1.61%
Consumer Staples	XLP	53.29	52.63	(\$0.66)	-1.24%
Energy	XLE	66.64	67.41	\$0.77	1.16%
Financials	XLF	28.37	27.57	(\$0.80)	-2.82%
Health Care	XLV	82.8	81.4	(\$1.40)	-1.69%
Industrials	XLI	75.15	74.29	(\$0.86)	-1.14%
Materials	XLB	59.02	56.94	(\$2.08)	-3.52%
Real Estate	XLRE	29.96	31.08	\$1.12	3.74%
Technology	XLK	67.04	65.42	(\$1.62)	-2.42%
Utilities	XLU	49.07	50.53	\$1.46	2.98%
Vanguard 500	VOO	246.05	242.08	(\$3.97)	-1.61%

Equity Markets

Benchmark	Symbol	Price as of 03/01/18	Price as of 03/30/18	Change	% Change
S&P 500	SPX	2677.7	2640.9	-36.8	-1.37%
Nasdaq	COMP	7180.6	7063.4	-117.118	-1.63%
DOW	DJIAK	24609.0	24103.1	-505.87	-2.06%
Russell 2000	R.2000	3746.2	3801.0	54.77	1.46%
FTSE 100	180555	7175.6	7056.6	-119.03	-1.66%
NIKKEI 225	180461	21724.5	21159.1	-565.39	-2.60%

Volatility Index	VIX	22.5	20.0	-2.5	-11.13%
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Exchange Rates per USD

Currency	Symbol	Rate as of 03/01/18	Rate as of 03/30/18	Change	% Change
Euro	USDEUR	0.821	0.813	-0.0080	-0.98%
Yen	USDJPY	107.065	106.350	-0.7150	-0.67%
Pound	USDGBP	0.729	0.713	-0.0159	-2.18%
Franc	USDCHF	0.948	0.958	0.0092	0.97%
Yuan	USDCNY	6.343	6.292	-0.0513	-0.81%

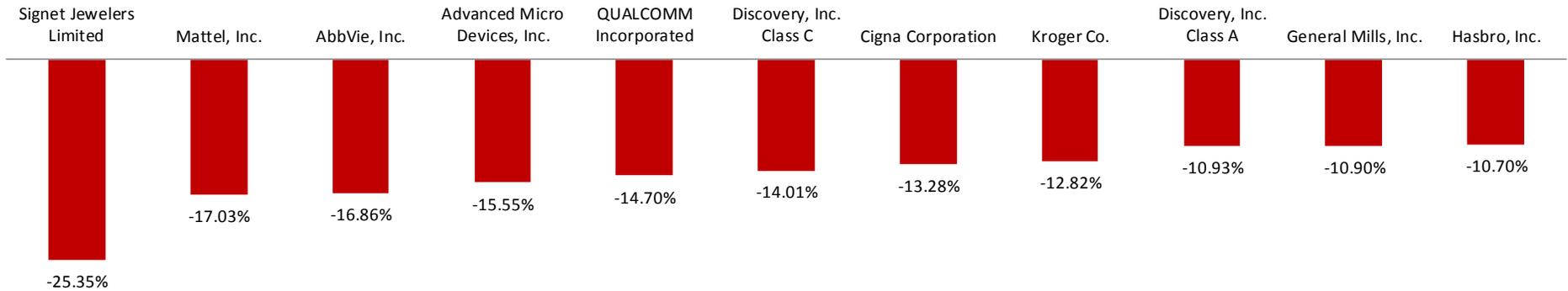
US Yields %



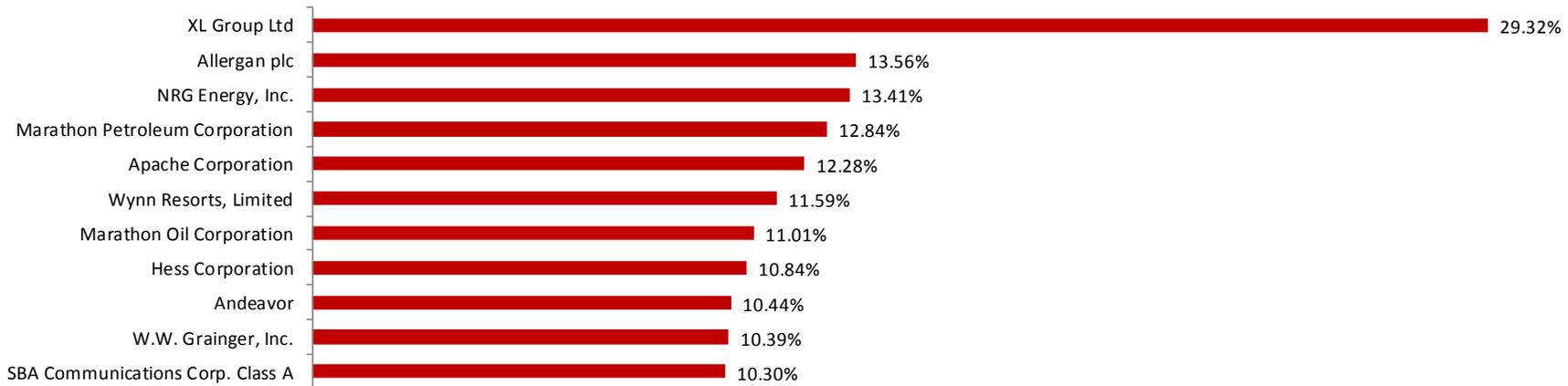
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MARKET SUMMARY (CONTINUED)

S&P500 LOSERS March



S&P500 GAINERS March



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KEEPING UP WITH CURRENT EVENTS

Is a TV Streaming Take-Over Upon Us?

By Daniel Knerr

Continued from the front page

CBS has actually made the commitment to charging subscribers for using their CBS All Access streaming app. If you want to stream their content through this app, they charge a fee of \$5.99 and \$9.99 for ad-free content. The advantage to paying for this service is that you can stream all CBS content on-demand, similar to Netflix or Hulu. On other mobile streaming apps such as ABC and NBC, viewers are limited to watching live content airing on television.

According to a survey conducted by Pew Research, 61% of young adults (18-29 years old) say the primary way they watch television is through streaming services.¹ This shows that the future of the market segment that television companies want to target is demanding streaming services. It seems that they would prefer to watch television in an all-you-can watch streaming style rather than waiting to watch one episode of their favorite show once a

week. If this is true, then it seems that more and more national television stations will be making the switch to charging for an on-demand streaming service of all their content.

Facebook has launched their own form of mobile TV, which has been interesting. They have a reality show featuring Lavar Ball and his three sons. Tom Brady even has his own reality show on the platform. They look to grow this segment of their business significantly in the future since there is an opportunity for lots of ad revenue.

Snapchat has talked about putting out their own television shows as well. They plan to put out short, 3-5 minute clips that will serve as an alternative to regular television. We've already seen this beginning to play out with programs such as NBC's *Stay Tuned* series featured on the Discover page of Snapchat. Although they ultimately plan to take this further with more content along the lines of popular shows such as *The Simpsons*, we'll have to see if that actually plays out.²

Expect to see an expansion in mobile streaming of television in many capacities in the future. Although mobile TV is expected to grow in the future, most of the buzz around the subject agrees that it will never fully take over cable television. Despite this, it will be exciting to see where mobile TV goes in the future, especially with regards to Facebook and Snapchat. Who would have thought social media sites would be putting out television content?

KEEPING UP WITH CURRENT EVENTS (continued)

AXA Acquires XL By Dominic Santanasto

French company AXA announced on March 5 that it was acquiring insurance company XL Group for \$15.3 billion.¹ Analysts tracking the deal believed that AXA may have overpaid for XL.¹ Additionally, AXA investors voiced concerns with the deal because of XL's 2017 results.¹

AXA has said that it wants to move away from businesses that are too correlated to market movements.¹ Therefore, they went out and acquired an insurance company. XL had a tough underwriting year in 2017 as its combined ratio, the ratio of insurance related expenses to net premiums earned, was 108.3 percent.² Catastrophe losses really hurt XL, as the company reported over \$2 billion of net catastrophe losses and loss expenses in 2017.² This poor result comes after XL reported a com-

bined ratio under 95 percent from 2013-2016.² To illustrate the effects that catastrophe losses had on the company, the loss ratio excluding natural catastrophe losses for the Insurance segment decreased in 2017 while the same metric for the Reinsurance segment increased by less than 3 percent.² AXA is already looking to reduce XL's natural catastrophe exposure according to its CEO.¹

AXA is planning on issuing an IPO for its U.S. life insurance segment.¹ Investors had been hoping that AXA would use the proceeds from the sale to repurchase shares.¹ This now becomes unlikely after the XL deal.¹ However, AXA is not ruling out share repurchases after the two companies have combined and have increased their cash generation.¹ If 2017 results are

any indication, being able to increase cash flow hinges on reducing XL's natural catastrophe exposure.

Full disclosure: Dominic Santanasto is currently employed by Chubb Limited, which was formed as a result of the merger between ACE and Chubb. The opinions in this article are his and not those of the company.

KEEPING UP WITH CURRENT EVENTS (continued)

Facebook Data Scandal - You Won't *Like* What They Have on You!

By Chad Grimley

You've no doubt heard about the recent Facebook data breach. But if not, here's a brief summary. In 2013, a researcher named Aleksandr Kogan created a personality app quiz that was taken by over 300,000 people. Facebook's data restrictions, however, were different in 2013 than today, and this allowed Kogan to access the friend's list of the people who took the personality quiz. While only 300,000 took the personality quiz, Kogan was able to access the data of over 87 million Facebook users (original estimates had this number around 50 million).

In 2014, according to Facebook, they dramatically changed the data that developers could access. However, this did not affect Kogan, since the personality quiz he created took place during 2013. Hence, he already had the data.

Fast-forward to 2015 when Facebook was notified that Kogan sold the data to Cambridge Analytica, a political consulting firm, which is against Facebook's policies. In short, after finding this out, Facebook claimed to receive certifications that Cambridge Analytica and Kogan that all the data was deleted. This, clearly, was not the case. Now, Facebook's CEO Mark Zuckerberg is scheduled to testify on April 10th and 11th in front of Congress.

The recent incident with Facebook sheds light on an important question – what information

do companies like Facebook have on us? Large companies like Facebook, Amazon, and Google collect more data on us than we may realize. In wake of Facebook's data breach, they have simplified the process for users to see what Facebook knows about you. Here's how you do it:

1. Login to your Facebook account
2. Click the drop-down arrow in the top-right corner, and then click "settings"
3. Click "download a copy of your Facebook data." (This may take a few minutes)
4. Facebook will email you once the data is ready for you to view. Once you receive the email, click on the "download a copy your Facebook data" again and the data will then download on your computer.

Downloading a copy of my Facebook data history took about ten minutes. Most likely, you will be surprised about how much Facebook has on you. From my experience, here are some of the things you can expect to see:

- Facebook has saved almost all (if not every) of the messages/conversations you've ever had on their platform.
- Just like the messages, every post, photo, video, and even poke (remember when that was cool)

that have ever been associated with your Facebook account will show up.

- Every event you've ever accepted, declined, replied "maybe" or even simply ignored will be listed.
- The phone number of any contact you've ever had in your cellphone. It appears that this will depend on your Facebook settings, but for me, Facebook had the phone number of every single contact in my phone – including relatives of mine who don't even have Facebook.
- Every advertiser with your contact information. Expect this list to be extremely long... I stopped counting after 100... but this list will show the name of any advertiser with your contact information. To my surprise, there were multiple advertisers on here that I've never even heard of.

Over the coming weeks and months, the investigation over how much data large companies like Facebook know about their users will continue. As users, the takeaway for us is to always be vigilant and careful about what we are posting to the internet, especially since your data is most likely being shared with hundreds of developers and advertisers.

STUDENT LECTURE SERIES

Excelling at Excel

By Robert Jankiewicz

The pun may not be necessary, but the program certainly is. In my opinion, it is absolutely paramount to be at the very least proficient in Microsoft (M.S.) Excel no matter what career path you take. Some may think that having “Excel skills” is simply a requirement needed for those entering quantitative fields such as finance or accounting. However, this simply isn’t true.

To get a better idea of the importance of Excel, I sat down with recent St. Joe’s graduate, Annie Rose Masciantonio, to discuss her experience with Excel. Ms. Masciantonio pursued her undergraduate studies in political science and philosophy, and is currently employed at a local insurance company as an H.R. Analytics Coordinator. Masciantonio explained that she uses Excel on a daily basis for tasks such as running and analyzing various metrics that support different parts of the company. She also explained that although she works on an analytics team, many other co-workers use Excel frequently. Here are highlights from our conversation:

Q: How essential is Excel in your job?

A: Excel is my job. Excel and analytics coexist.

Q: At SJU, how often did you use Excel?

A: Being a political science major, Microsoft Word was my best friend. I was constantly writing papers, both in my political science and philosophy courses. As a matter of fact, I can probably count on one hand the amount of times I opened Excel; and 90%

was likely by accident because I meant to click the Word icon on my computer!

Q: What was the adjustment like from not using Excel to using it on a daily basis?

A: Well, when I first got my job offer, I knew off the bat that I needed to know Excel. At first, I didn’t understand the point, or usefulness, of it. My manager knew that I didn’t have prior Excel skills, so he would sit down and show me not only various formulas such as using vlookups and filters, but also the structure of the reports. I would take notes and practice. I learned from mistakes by having my manager review my work at first, but it eventually started to click. Overall, like I said, in the beginning I had no idea, so it was like teaching a baby how to walk. Nonetheless, I picked it up fast enough that it wasn’t too much of a transition.

Q: Are there any areas where you could have used Excel outside of work?

A: While I was writing my senior thesis paper, one of my sources included regression output from Excel, which at the time I didn’t fully understand. I had to ask a friend how to interpret the data, since I had never used a program like that before. Perhaps, when I took statistics and probability I could have used it to complete homework more quickly. Currently, however, I use Excel to keep track of my personal finances.

Q: Do you have any recommendations for students who want to learn, but don’t know where to start?

A: First, if anyone thinks that they will never need Excel, they’re probably wrong. Take it from me, a political science major now working at an insurance company- you just don’t know what your future job will expect of you. Also, don’t be intimidated by Excel. Understand that it is a useful application that you should know, no matter what you use it for. Excel is extremely convenient and will give you a competitive edge over others in the job market. Plus, not every manager is like mine who will have the patience to teach it to you!

It was a pleasure getting to speak frankly with Ms. Masciantonio about the importance of Excel. Personally, there hasn’t been a day that I haven’t used Excel ever since I started my first co-op sophomore year. I’ve learned how to integrate it into almost all of my classes, and as Masciantonio notes, it truly is “an extremely convenient application” that will give you a “competitive advantage” over others. Ms. Masciantonio’s advice is extremely valid. Although Excel can be intimidating at first, try to approach it with a positive mindset. With all challenges, there will be a short period of transition. However, once it starts to ‘click,’ the time invested to learn it will surely payoff through time saved in the future.

Featured Column

Marc Kramer on the Future of Media

By Marc Kramer

Marc Kramer is currently the Family Business Executive in Residence at Saint Joseph's University. Kramer is president of the marketing and communications firm Kramer Communications and executive director of the Private Investors Forum, which operates the Angel Venture Fair, the largest gathering of angel investors and entrepreneurs in the Mid-Atlantic region. For his role in creating Pennsylvania Private Group, a formally organized investor angel's network, he has been featured in major publications such as *Profit*, *INC.* and *Entrepreneur Magazine*.

When I was 15 I had decided I wanted to be sports writer and would go to journalism school. I loved sports writing and started working for a weekly newspaper, Suburban Advertiser, a free paper you found cluttering your driveway in Central and Western Chester County. I covered high school basketball and football. My dad, who edited my work and I couldn't wait to see my byline, "By Marc Kramer," each time it came out.

In 1978, I entered West Virginia University, which had a good journalism school. The idea of being anything other than a sports features writer focused on covering Philadelphia sports for my beloved Philadelphia Bulletin, an evening paper that Philadelphians read for over 125 years, and then maybe, if I was really skilled and lucky, Sports Illustrated, never entered my mind.

Unfortunately, my timing was off by a generation. When I graduated in 1982, that was the start of the slide of print publications. My beloved Bulletin, where I miraculously lined up a job upon graduation, folded Spring of my senior year of college along with 10 other major dailies, most that ran in the afternoon, perished. Thousands of experienced journalists were looking for jobs.

America was quickly changing. Dad wasn't getting home at 5:30 p.m. and sitting with drink and the paper relaxing while mom prepared dinner. Women were entering the work force so takeout along with Dad helping cook dinner along with business competition was heating up on a global basis were making 9 to 5 jobs going the way of the dinosaur.

Then the Internet made its arrival in the mid-1990s and entrepreneurs were developing online publications, but worse the Internet was stealing advertisers because it was cheaper and had a wider reach. Craig's List was poaching classified ads and papers started making staff cuts. Those large overheads and costs of running printing presses, paying Union dues and having large staff's, the Philadelphia Inquirer had around 25 full-time business writers and that number less than half today, was quickly vanishing.

ESPN went from just video and radio to print to print and online. Yahoo and other search engines were providing content, but little of it original, but free, which dropped the number of readers. By

1984, I stopped writing full-time because I got married and if I wanted a family I needed to make more money. Over time, I wrote six books and wrote columns for Forbes, TheStreet.com, a reincarnation of The Bulletin, and a national column for American City Business Journals, along with other publications. Yet the pay was little or nothing and I was doing it for visibility and access to people.

During the past three decades, people writing blogs, Tweeting, developing their own television channels on YouTube and Vimeo started stealing eyeballs. Look at some of the top Twitters:

- Katy Perry, entertainer, over 100 million followers.
- Bill Gates, entrepreneur, over 45 million followers
- Neymar Jr., soccer player from France, almost 40 million followers.
- Amitabh Bachchan, film producer/politician from India, 33 million.
- Pitbull, not the dog, but an entrepreneur/entertainer with 27 million followers

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Featured Column (Continued)

Marc Kramer on the Future of Media

By Marc Kramer

A kid in my neighborhood going under Dave Days, was averaging over 6 million viewers making political commentary on YouTube out of the basement of his parent's house making a six-figure salary. Here are examples of people making money on YouTube, who aren't a major production or television network company.

- Evan Fong- A gamer on YouTube made over \$15 million last year.
- Dude Perfect- A group of high school basketball players doing tricks over \$14 million.
- Ryan Toys Review- Some little kid evaluating toys raking in \$11 million.

My 20s-college educated daughters don't read print newspapers and magazines. Both only watch a few traditional television shows. My students at Saint Joseph's University watch a lot of YouTube along with Prime and Netflix original shows. The Forbes family, which owned Forbes magazine, an elite business publication sold its building in Manhattan, its collection of Fabergé eggs, which were showcased in their lobby for decades and eventually the publica-

tion itself as their readership and advertising base shrank.

The need for written and video content is great, but with so many players going after the same buckets of advertising money and the advertiser realizing they can create their own content and channels the market is changing from goliaths to nimble entrepreneurial companies. Today anyone can create a graphically impressive print and video content. The tools are there and the number of writers/producers is larger than ever and those people are willing to work cheap or for nothing to raise their visibility.

It's true that CNN, New York Times, Sports Illustrated and ESPN all have over 25 million people following them on Twitter, but that isn't translating into big enough readership/viewership to make up for the losses of traditional print and video viewers because they can no longer dominate. The future for brand name organizations is licensing content and video using their marketing knowledge and advertising relationships to make everyone money.

The good and bad news are the same, the barriers to

entry are low. There will be practically no cost for studios and networks to test an idea because creators will put their ideas in the public domain and see what takes off. The Big Boys are evaluating results of what is trending and scout for and develop talent. Viewers are only loyal to who gives them the most amount of pleasure or information that fits their needs and thinking. If you have creative ideas your time has come and opportunities are boundless.

MEET THE BOARD

A five-student board leads the Saint Joseph's University Capital Markets Club. The board serves as the acting body that represents the Capital Markets Club and works to ensure success of the City Avenue Journal.

Patrick Fennell

Majors: Finance & Accounting

Internships:

MassMutual

JP Morgan Chase

Interests:

I enjoy fishing and cooking. I am also a volunteer coach on my high school's wrestling team.

Dominic Santanasto

Co-Chairman

Majors: Finance &
Risk Management/Insurance

Internships:

Chubb

Short Term Goals:

Win the stock market game.

Interests:

Sports and running

Robert Jankiewicz

Co-Chairman

Majors: Finance & Economics

Minor: Spanish

Internships:

Johnson & Johnson

Independence Blue Cross

NASDAQ

Interests:

I play hockey for the SJU club roller hockey team.

Chad Grimley

Major: Finance & Accounting

Internships:

Merrill Lynch, Catholic Charities, Getting More Inc, and Grimley Financial Corporation

Short Term Goals:

Begin working for my father's company, Grimley Financial, a 32-year old financial services company. Concurrent with working, I plan on working toward my master's degree in business intelligence.

Interests:

In the summer, I am the general manager and play for a semi-pro baseball team. Also enjoy playing golf and going down the shore.

Patrick Michael

Major: Finance & Economics

Internships:

Bryn Mawr Trust, Buy-Side Equity Research Analyst
Nest Multi-facility Management, Data Analyst

GET INVOLVED

Join the Spring 2018 Stock Market Competition!

Sign up at <http://www.howthemarketworks.com/register/109397>

The Wall Street Trading Room will be sponsoring “The Hawk Portfolio Competition.” This competition gives participants an opportunity to learn about investing in a fun, risk-free way. Students will be able to take full advantage of the many resources at the university including the Wall Street Trading Room. Only students at Saint Joseph’s University are eligible to play.

In determining the winners, the cut-off date is April 13, 2018.

Prize: A T-shirt for students with the best 10 portfolios

How to Sign Up for the Competition

For complete information, visit the [Spring information](#) sheet

Use an ID so that we can identify you in determining the top 10 winners.

If you are a new user, follow the link for a free account.

Best of Luck!

Want to contribute?

Do you want to contribute to the City Avenue Journal or the Portfolio Analyst Team, the premier, student led business magazine of the Haub School of Business?

Please reach out to cityavejournal@gmail.com

Email us your name, class (freshman, sophomore, etc), major, and what you’d be interested in contributing.

We encourage submissions from all students including topics such as:

- Recent business news
- Prior internship/Co-op experience
- HSB events

Remember, not only will you get to show off your writing skills, but you will also get to put this on your resume! Trust us, employers will love it!

Interested in portfolio management, equity analysis, or investing?

We invite you participate as a stock/sector analyst for the Saint Joseph’s University Hawk Portfolio. The portfolio consists of about 50 stocks spread across 9 sectors, and currently has a value of approximately \$250M. As an analyst, you will be conducting research on your assigned stock/sector. A consolidated report of all research and performance will be published on a monthly basis.

Note: Students who take FIN 401 make final investment decisions at the end of each semester.

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CITATIONS

Is a TV Streaming Take-Over Upon Us?

1. <http://www.pewresearch.org/fact-tank/2017/09/13/about-6-in-10-young-adults-in-u-s-primarily-use-online-streaming-to-watch-tv/>
2. <http://fortune.com/2017/08/23/snapchat-mobile-tv-original-shows/>

AXA Acquires XL

1. Dalton, Matthew, and Ben Dummett. "AXA to Buy Insurer XL Group for \$15.3 Billion." *The Wall Street Journal*, Dow Jones & Company, 5 Mar. 2018, www.wsj.com/articles/axa-to-buy-xl-group-for-15-3-billion-1520236823.
2. XL Group 10-K

Facebook Data Scandal

1. <https://www.facebook.com/zuck/posts/10104712037900071>
2. <https://www.cnet.com/how-to/how-to-watch-mark-zuckerberg-testify-to-congress-live/>