

THE CITY AVENUE JOURNAL.

Dow: -4.53%, S&P 500: -5.36%, NASDAQ: -7.32%, Russell 2000: -7.83%

Note: Returns are calculated on month to date (MTD) time frame.

IN THIS MONTH'S ISSUE:

- Looming Recession Ahead?
- Advice from an Industry Professional

FEATURED SERIES:

- A look at the societal implications of Amazon
 - A second Chance for Toys R Us?

Tough Times Ahead?

By Andrew John

It's no secret. In times of great economic prosperity as observed over much of the past years, there is always looming talk of a recession. The current bull market is the longest standing bull market of all time for over nine and a half years¹. With the Dow reaching over 26,000 points this past fall (all time record) and GDP reaching 4.1% in the second quarter², more and more economists are insisting that it is time to prepare for a possible hardship ahead.



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



@CityAve_Journal



ek641147@sju.edu

MARKET SUMMARY

Sector Performance

Sector	Ticker	Price as of 10/01/18	Price as of 10/20/18	\$ Change	% Change
Consumer Discretionary	XLY	116.86	106.34	(\$10.52)	-9.00%
Communication Services	XLC	48.8	46.72	(\$2.08)	-4.26%
Consumer Staples	XLP	53.89	54.69	\$0.80	1.48%
Energy	XLE	76.79	71.53	(\$5.26)	-6.85%
Financials	XLF	27.69	26.67	(\$1.02)	-3.68%
Health Care	XLV	95.62	91.51	(\$4.11)	-4.30%
Industrials	XLI	79.09	73.18	(\$5.91)	-7.47%
Materials	XLB	58.51	53.1	(\$5.41)	-9.25%
Real Estate	XLRE	32.36	31.82	(\$0.54)	-1.67%
Technology	XLK	75.69	70.01	(\$5.68)	-7.50%
Utilities	XLU	52.47	54.57	\$2.10	4.00%
Vanguard 500	VOO	268.04	253.85	(\$14.19)	-5.29%

Equity Markets

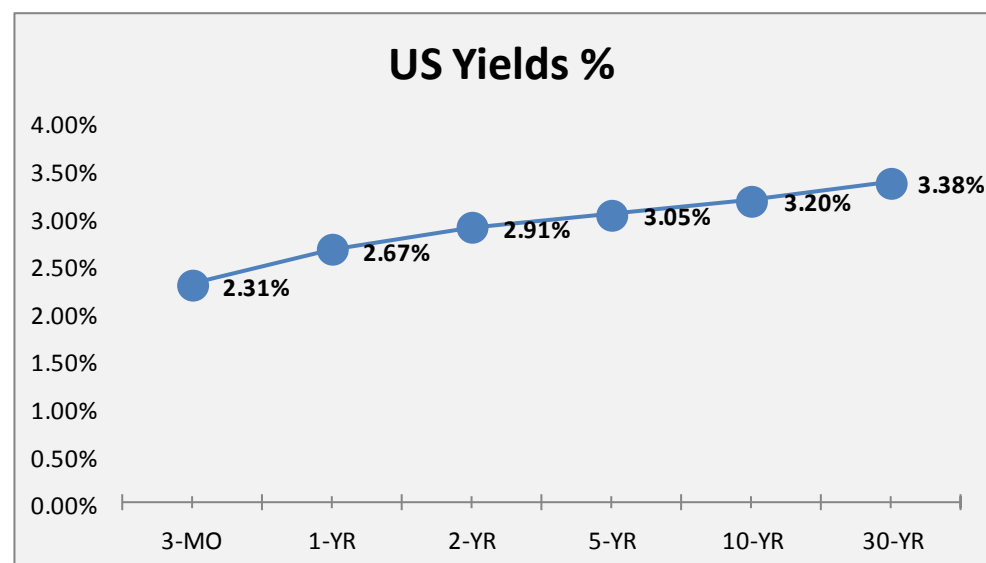
Benchmark	Symbol	Price as of 10/01/18	Price as of 10/20/18	Change	% Change
S&P 500	SPX	2924.6	2767.8	-156.81	-5.36%
Nasdaq	COMP	8037.3	7449.0	-588.274	-7.32%
DOW	DJIAK	26651.2	25444.3	-1206.87	-4.53%
Russell 2000	R.2000	4157.8	3832.4	-325.44	-7.83%
FTSE 100	180555	7495.7	7049.8	-445.87	-5.95%
NIKKEI 225	180461	24245.8	22532.1	-1713.68	-7.07%

Volatility Index	VIX	12.0	19.9	7.89	65.75%
------------------	-----	------	------	------	--------

Exchange Rates per USD

Currency	Symbol	Rate as of 10/01/18	Rate as of 10/20/18	Change	% Change
Euro	USDEUR	0.863	0.870	0.0066	0.77%
Yen	USDJPY	113.950	112.495	-1.4550	-1.28%
Pound	USDGBP	0.767	0.767	0.0000	0.00%
Franc	USDCHF	0.984	0.997	0.0129	1.31%
Yuan	USDCNY	6.881	6.932	0.0515	0.75%

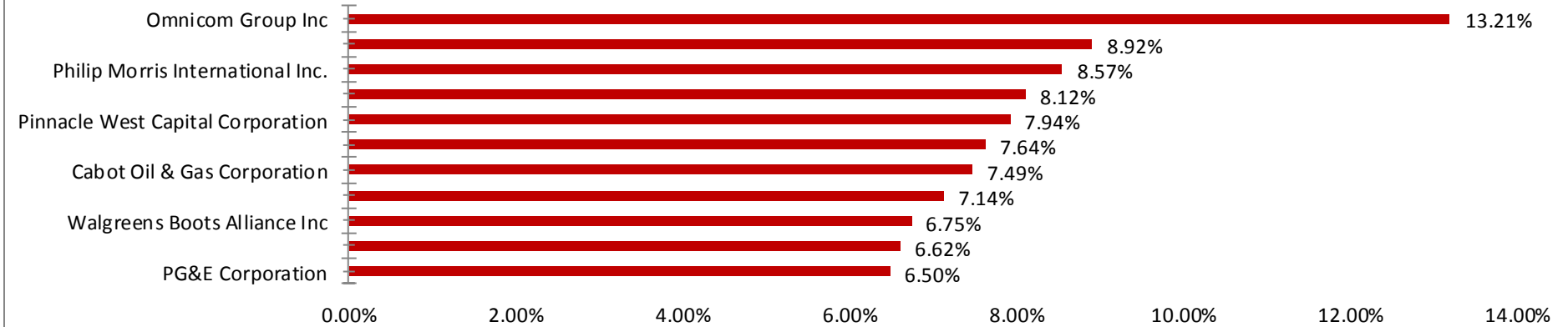
US Yields %



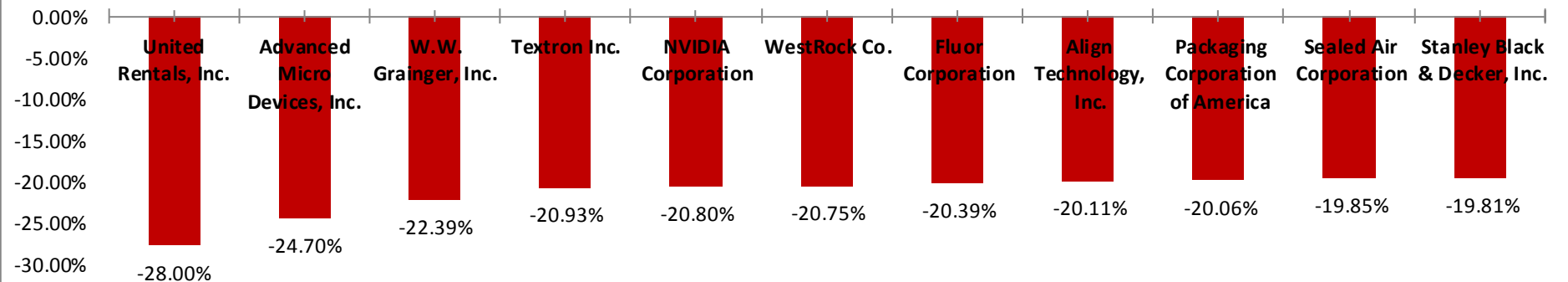
DISCLAIMER: All articles are written strictly for educational purposes, not for investment decisions. All forward-looking statements are simply opinion and not investment advice made by the author.

MARKET SUMMARY (CONTINUED)

S&P500 GAINERS



S&P500 LOSERS



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.

ADVICE FROM AN INDUSTRY PROFESSIONAL

Essentials for Aspiring Business Students

By Ryan Ayers

Ryan Ayers has consulted a number of Fortune 500 companies within multiple industries including information technology, fintech and big data. After earning his MBA in 2010, Ayers also began working with start-up companies and aspiring entrepreneurs, with a keen focus on data collection and analysis. If you'd like to contact Ryan, you can find him on Twitter: @TheBizTechGuru.

7 Essentials for Aspiring Business Students

Thinking about going to school for a business degree? If you enjoy collaborating with others, making ideas become reality, and have drive and ambition, the business world could be a great fit for you. However, getting through business school and landing a job can seem difficult and intimidating. The good news? 86% of companies in one survey were planning to hire MBA graduates in 2017. Here are 7 essentials you'll need to successfully navigate business school and catch the eye of a potential employer.

1. Know Yourself: Are You an Employee or Manager?

In business, a lot of emphasis is put on leadership, but not everyone has the desire or skillset to be a leader. We need both employees and managers, and it's important to know yourself so you can embrace the role you're best for.

Not sure if you'd rather be an employee or a manager? Here's a good way to think about the difference: employees tend to have specialized skills, whereas managers are often jack-of-all-trade types who have excellent interpersonal skills. If you're an introvert, don't think you automatically need to be pigeonholed into the employee role—many introverts make great leaders.

2. Develop an Elevator Pitch

Whether you are at a networking event or just happen to come across someone who is interested in what you do, you will need an elevator pitch if you want to advance in the business world.

There's a lot that goes into the perfect ele-

vator pitch for something that's designed to be brief. However, you need to pack a lot of information and grab the other person's interest, which makes the process of creating your elevator pitch very important. A good elevator pitch can mean the difference between creating a valuable connection and being forgettable!

3. Establish a Personal Brand

Now that just about everyone has an online presence, getting hired is no longer all about your resume, it's about your personal brand. Companies want to know who you are, what you've accomplished, and who you've worked with.

Building a personal brand means that your social media profiles, LinkedIn account, and other online information should reflect your goals and present the right image to prospective employers. Consider creating thought leadership pieces for your profiles to strengthen your personal brand and show potential employers what your interests and skills are.

ADVICE FROM AN INDUSTRY PROFESSIONAL (cont..)

Essentials for Aspiring Business Students (continued)

By Ryan Ayers

4. Learn How to Respectfully Negotiate

In business world, you have to negotiate all the time – whether it is for a raise or during discussions about project ideas with peers. You'll need to have tactics that are firm, but also respectful so that your voice is heard without stepping on someone's toes.

Negotiation involves confidence, preparation, and patience. Many people are uncomfortable with negotiation, which makes them look for a quick exit during discussions. Learn to set that anxiety aside, and adapt your tactics based on how the conversation is going. This isn't something that happens overnight—it takes practice!

5. Become a Confident Speaker

A large number of people have fear or difficulty speaking in front of a group of people. In fact, one 2014 survey indicated that 25.3% of people fear public speaking. Public speaking is an important skill for anyone in the business world, since you'll inevitably have to make presentations and lead meetings at some point during your career. Oral communication skills are important

for advancement in the workplace, so if you're not a confident speaker, it's time to change that. Take a public speaking class, practice with your friends, and take every opportunity to speak in front of others until you're totally comfortable doing so.

6. Work on Your Writing

You don't have to be the best writer in the world to be an effective communicator, but every business student needs to master the basics of business writing. This is something you can practice over and over on your own, in class, or in a work setting. Get as much feedback as you can, and learn from your mistakes. Strong, persuasive business writing will help you land a great position, communicate well, and advance in your field.

7. Don't Listen to Your Fear

Fear influences everything we do, especially when we're faced with unfamiliar situations. It's okay to be afraid, but you can't let fear make your decisions for you. Arianna Huffington described fearlessness as being

like a muscle—the more she exercised it, the stronger it got. Face your fears. Apply for the best schools. Apply for the best jobs. Speak up. Do what you need to do, even when fear tells you to turn back.

KEEPING UP WITH CURRENT EVENTS

Tough Times Ahead? By Andrew John

Continued from the front page

Guggenheim Investments' Scott MinerD warns clients that inflation and rate hikes from the Federal Reserve will lead to the next market downturn.³ Guggenheim currently has \$250 billion under investment and speaks of the coming downturn and its chief investor MinerD details some of the specific worries he has for the future. MinerD says The Fed is expected to hike its interest rates and predicted to do so four times this year and the next (predicted up to 3.5% from current 1.5-1.75%) which will be a hefty price to pay as corporate debt continues to rise as it stands at \$8.83 trillion.³ MinerD believes that once short term interest rates are driven up enough, defaults on loans will be unavoidable and consequently tip the market into a recession.

In recent prominent politics, Trump's trade sanctions with China are huge indicators for another possible re-

cession. Trump's administration has persistently imposed tariffs on steel, aluminum, and many Chinese goods. The administration now seeks 25% tariffs on over \$200 billion in Chinese imports. These sanctions are worrisome to investors and economists because such sanctions could become so steep that it will negatively impact certain industries like steel or aluminum or worse, the global economy.²

John Mauldin, previous CEO of the Bureau of Economic research and investment newsletter publisher for Forbes, predicts that the recession could arrive as early as 2019 or later on in 2020. His prediction comes from the consensus of Strategic Investment Conference of 2018. Mauldin also sheds light on the slow in growth of GDP and how corporate tax cuts have not seen a drastic increase in spending as the Trump administration might have wanted. ⁴ Jeanne Thompson, senior vice president of Fidelity Investments suggests "Everyone should take a look at

their accounts and make sure they are comfortable, just in case. Would you be comfortable with your plan if it were to drop 10 percent?"². Among other suggestions in preparation is to ensure you have money saved, minimize current debt, and secure a steady job as a primary source of income.

The rise and fall of the market is considered to be natural in financial lingo and exactly the cause of the fall is more often a combination of factors and not a single entity. One thing is for certain though, there will be a recession in the U.S. economies future. The only question that will go unanswered is when that will be.

KEEPING UP WITH CURRENT EVENTS (continued)

Toys R Back? By Zachary Zuccala

Over the Summer America said goodbye to one of its favorite retail chains. However, there may be a chance Toys “R” Us gets a second opportunity. On October 2nd in a bankruptcy court filing, Toys “R” Us Inc. investors stated that they no longer plan on following through with an auction for Toys “R” Us assets. Instead, they believe they can generate more revenue by resurrecting the once popular chain. The investors went on to talk about how they would be reaching out to potential partners in the near future to talk about new ideas and strategies. One investor said they wanted to “bring back these iconic ideas in new and re-imagined way”¹. Toys “R” Us filed for bankruptcy after company found itself in about \$5 billion of debt. This led to the closing of 800 stores and 32,000 people being out of a job. This isn’t the only way the fall of this giant has shaken up the economy.

Toys “R” Us Inc.’s rivals have begun fighting over billions in holiday toy sales as the yuletide season approaches.

Chains such as Walmart and Target are planning to set aside additional floor space for toys in stores across the nation. Interestingly enough though, analysts agree that no store can compete with the selection and supply of popular items that Toys “R” Us used to offer. For this reason it makes sense that shareholders believe they can revive the corporation in the understocked market. However, with companies like Walmart and Amazon already working hard to fill the gap can Toys “R” Us really be expected to survive again? The stores definitely won’t be opening in time for this holiday season, but it will be interesting to see how the toy market continues to evolve.

One of the major reasons Toys “R” Us went out of business is because it failed to keep with a target market that began moving away from traditional toys. If investors are serious about exploring new ideas it is critical they look into getting more involved in technological entertainment. According to NPD

Group, Inc., as of 2011 91% of American children ages 2-17 play video games. In a world where every child has an iPhone, plastic Transformers don’t have the same allure as they once did. Toys “R” Us also has to find a way to combat online retail competitors such as Amazon. But keep an eye out. We may have not yet heard the last of Geoffrey the Giraffe.

OP-ED SERIES

Is Amazon Beneficial for Society? A Tale of Creative Destruction

By Daniel Knerr

Amazon seems to be the talk of the town in the world of business. They continue to push the envelope with innovation within the wide scope of what they do. The list of what they offer is staggering, considering just a few years ago they were strictly an online shopping site. Now they offer cloud services, music and video streaming services, grocery delivery, their own household products lines, and hardware. They're even considering a joint healthcare venture with Berkshire-Hathaway and JPMorgan. With this success has come great wealth, and Amazon has certainly made boatloads of money; CEO Jeff Bezos is the richest person in the US, with a net worth of \$112 billion. The question remains: is Amazon good for the society, or have they gotten too big for the good of the people?

Despite offering great services, many wonder if Amazon is becoming too big for the good of the economy, particularly with regards to competing businesses. Amazon's 2-day shipping

with Prime has truly been a gamechanger. It allows people to shop online from the convenience of their home, all while not having to wait all week for their items to arrive at their doorstep. It is certainly a wonderful convenience to be able to have items delivered right to your door in a speedy fashion, but does this new way to get virtually everything you need from one place hurt local economies? Even without an Amazon-Fresh subscription, you can still get lots of things you used to just get at the stores down the road, such as cleaning supplies, electronics, toiletries, dog food, and the list goes on and on. Now that Amazon has made it such a great option to just have them deliver to your door with a press of a button, there is certainly a significant amount of business they are stealing from brick and mortar competition, which may hurt lo-

cal economies as well as the general US economy as well.

To me, this disruption in the economy can be chalked up as "creative destruction". This is a general economic term for when new, innovative technology disrupts and replaces older, archaic techniques of industry. Despite thwarting some companies, the new and improved products/services make the general economy as well as society better going forward. To me, Amazon is pushing society and the economy to new levels, and unfortunately some companies are bound to get lost in the shuffle. Overall, when better business strategies come into existence, the net gain for society is greater than the economic loss for players that become marginalized.

OP-ED SERIES (continued)

Is Amazon Beneficial for Society? A Tale of Creative Destruction (continued)

By Daniel Knerr

Another way to look at this issue is by examining the transformation of industries that Amazon has spearheaded, whether it be intentional or not. For one, they have made e-commerce a priority in business. Now that virtually all companies have to battle with Amazon for business, it has forced major companies such as Walmart and Dick's Sporting Goods to step up their e-commerce capabilities. For example, Walmart has been investing heavily in their e-commerce platform and is even beginning to roll out 2-day shipping, as well as highly automated in-store pickup to make their shopping experience more fluid. They are beginning to see that their sales are multiplied tremendously when customers integrate their online shopping with in person shopping at the stores. This "omni-channel" shopping experience will help their sales going forward, and was primarily discovered due to the trailblazing practices of Amazon. To put it simply, Amazon's innovation has brought about a new standard

of industry-best practices that improve business for many. The increased level of competition they bring to the table breeds a higher level of business and service from the rest of their competition, which is great for society.

This is certainly an open-ended debate, and there are no absolutely right answers. Either way, it has been and will continue to be an exciting ride as we experience Amazon continue to shake up the way we live our lives.

GET INVOLVED

Join the Fall 2018 Stock Market Competition!

Sign up at <https://www.equitysim.com/register>

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 December 31, 2018.

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

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 ek641147@sju.edu

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.

CITATIONS

Tough Times Ahead?

1. <https://www.usatoday.com/story/money/personalfinance/2018/08/25/economic-downturn-ahead-improve-your-financial-picture-preparation/1085613002/>
2. <https://www.forbes.com/sites/nextavenue/2018/08/03/is-the-next-recession-on-its-way/#d33d1ba48376>
3. <https://www.cnbc.com/2018/04/06/guggenheim-investment-chief-scott-minerd-sees-a-recession-and-a-40-percent-plunge-in-stocks-ahead.html>
4. <https://www.forbes.com/sites/johnmauldin/2018/03/20/the-next-recession-might-be-worse-than-the-great-depression/#240e34d569b9>

Essentials for Aspiring Business Students

[BBC – Is Public Speaking Fear Limiting Your Career?](#)

[Inc. – How to Build a Personal Brand in 5 Steps](#)

[MVU – What is Communication in the Digital Age & Why Does it Matter?](#)

[The George Washington School of Business – Negotiation Tactics for Business Leaders](#)

[Statista - “Percentage of Companies that Planned to Hire MBA Grads in 2017”](#)

Toys R Back?

1. <https://www.cbsnews.com/news/toys-r-us-babies-r-us-brand-comeback-in-works-as-bankruptcy-auction-canceled/>
2. <https://www.npd.com/wps/portal/npd/us/news/press-releases/>
3. <https://www.wsj.com/articles/retailers-scramble-to-fill-holiday-hole-left-by-toys-r-us-1538913601>

Is Amazon Beneficial for Society? A Tale of Creative Destruction

1. https://en.wikipedia.org/wiki/List_of_Americans_by_net_worth
2. Walmart Q1 Earnings Call