because of the markets where your firms do their business or because of firm-specific conditions?

2. Determine whether the performance of each of your U.S.-based MNCs is driven by the U.S. market. Go to the site finance.yahoo.com/?u and insert the symbol for your stock. Once the quote is provided, click on Chart. Click on the box marked S&P (which represents the S&P 500 Index). Then, click on Compare and assess the relationship between the U.S. market index movements and the stock's price movements. Explain whether the stock's price movements appear to be driven by U.S. market conditions. Repeat this task for each U.S.-based MNC in which you invested.

3. **a.** Determine whether the performance of each of your foreign stocks is driven by the corresponding market where the firm is based. First, go to the site finance.yahoo.com/intlindices?u and look up the symbol for the country index of concern. For example, Brazil's index is ^BVSP. Next, go to finance.yahoo.com/?u and insert the symbol for your stock. Click on Chart; at the bottom of the chart, insert the corresponding market index symbol (make sure you include the "^" if it is part of the index symbol) in the box. Then, click on Compare and assess the relationship between the market index movements and the stock's price movements. Explain whether the stock's price movements appear to be driven by local market conditions. Repeat this exercise for each foreign stock in which you invested.

b. Determine whether your foreign stock prices are highly correlated. Repeat the process just described, except insert the symbol representing one of the foreign stocks you own in the box below the chart.

c. Determine whether your foreign stock's performance is driven by the U.S. market (using the S&P 500 as a market proxy). Erase the symbol you typed into the box below the chart, and click on S&P just to the right.

4. **a.** Review annual reports and news about each of your U.S.-based MNCs to determine where it does most of its business and the foreign currency to which it is most exposed. Determine whether your U.S.-based MNC's stock performance is influenced by the exchange rate movements of the foreign currency (against the U.S. dollar) to which it is most exposed. Go to www.oanda.com and click on Historical Exchange Rates. You can convert the foreign currency to which the MNC is most exposed into U.S. dollars and determine the exchange rate movements over the period in which you invested in the stock. Provide your assessment of the relationship between the currency's exchange rate movements and the performance of the stock over the investment period. Attempt to explain the relationship that you just found.

b. Repeat the steps in 4a for each U.S.-based MNC in which you invested.

5. **a.** Determine whether the stock performance of each of your foreign firms is influenced by the exchange rate movements of the firm's local currency against the U.S. dollar (you can obtain this information from www.oanda.com). You can convert the foreign currency of concern to U.S. dollars and determine the exchange rate movements over the period in which you invested in the stock. Provide your assessment of the relationship between the currency's exchange rate movements and the performance of the stock over the investment period. Attempt to explain the relationship that you just found.

b. Repeat the steps in 5a for each of the foreign stocks in which you invested.

...you can create your own portfolio
...nly updates the values of your stocks but also provides
...s, and other information on the stocks in your portfolio.

Evaluation

At the end of each month during the school term (or a date specified by your professor), you should evaluate the performance and behavior of your stocks.

1. a. Determine the percentage increase or decrease in each of your stocks over the period of your investment and report that percentage in a table like the one below. In addition, offer the primary reason for this change in the stock price based on news about that stock or your own intuition. To review the recent news about each of your stocks, click on finance.yahoo.com/?u and insert the ticker symbol for each firm. Recent news is provided at the bottom of the screen.

NAME OF FIRM	PERCENTAGE CHANGE IN STOCK PRICE	PRIMARY REASON
1.		
2.		
3.		
4.		
Portfolio (average)		

b. How does your portfolio's performance compare to the portfolios of some other students? (Your professor may survey class members on their performances so that you can see how your performance differs from those of others.) Why do you think your performance was relatively high or low compared to other students' performances? Was it