Elements of International Reporting

Bloomberg Exercise -- 2/10/99

Note: Bear in mind that the Bloomberg terminal represents a complex that no one ever completely masters -- this is just a quick tour around some basic functions. Also, the terminals at Bloomberg are the most advanced models. The one at the school is not. There will be some minor discrepancies, such as the number of function keys, but most of the commands should work on both machines. Note that this document is a prototype and there will be additions and corrections. If something doesn’t work, try it again and then move on to the next instruction.

The Bloomberg terminal is at a carrel in the 604 suite. The log-on at the school’s machine is work; the password is hard. Find the GO key -- that’s the equivalent of “enter”.

Economic Overview
1. TOP plus GO gets you Bloomberg’s Top Stories of the moment. Look at them and see if there’s anything involving your country or region -- or companies or commodities that will affect it. Think broadly: trading partners, regional economic powers, competitors.

2. Go to Menu and find your country. (If you have trouble, type 25 and GO to get the search engine.) Type NI plus your country symbol for Current News.

3. Type WEI plus GO gets you World Equity (stock) Markets. Symbols include:
   - TSE = Toronto
   - FTSE = Financial Times (London -- known as “footsie”)
   - CAC = Paris
   - DAX = Frankfurt
   - IBEX = Madrid

   Others are more self-explanatory. Look at the information on the stock market in your region.

   Type NI WHY and GO and you’ll get a “snapshot of world markets.”

4. INDU shows the Dow Jones Industrial Average. Note what it is today.

5. See yellow keys at the top of the keyboard. Press Currencies plus GO. Symbols include:
   - JYS = Japanese yen
   - DMS = Deutschmark
   - BPS = British pound sterling
   - CDS = Canadian dollar

   Type NI FRX and GO for currency news. For a specific currency, type the currency symbol, the yellow CRNCY key, CN. Look at the currency that is dominant in your region and note its exchange rate and direction. Consider what recent political or economic events may have affected it.
6. Press yellow function key **Commodities** plus **GO**. Symbols include:
   - CRUD = crude oil
   - BRNT = North Sea oil
   - COPP = Copper

   Others are more self-explanatory. Look at a commodity that is exported from your country and note its value and tendency. How will this affect your country’s economy?

7. Press CT 30 plus GO. This gives you 30-year (U.S.) treasury bonds, which provides information about interest rates -- vital in the U.S. and influential around the world.

**Stocks**

1. Choose a stock from a company based in your country that’s listed in the New York Stock Exchange. You can find a listing of companies on the website **www.nysse.com**. Go to Sitemap, go to International View, go to Non-U.S. listed companies, select company. It also gives you the ticker symbol.

   To look up a symbol on the Bloomberg, press the yellow **Equity** key on the top row, then type “tk” (for “ticker”), then space, then the name of the company, then the **GO** key. The symbol will be one to three letters. Write them down.

   If your country has no company listed (i.e. Estonia or Cuba), find a company listed by any country that has extensive operations in your country. You may need to do a Nexis search to find this. Proceed as above.

2. Look at the “Electronic File Drawer” description by typing “DES” and **GO**. This gives you general information about your company. Find **Page Forward** and **Page Back** keys to get more information.

   Note that most companies will list the names of the Board of Directors, the address of the company, and sometimes a web address. Note the “Lead Manager.”

   Number 5 on the screen, marked FUS, will show you revenue.
   EPS will show you earnings per share.
   Number 8 shows you product segmentation -- i.e. what the company actually produces.

3. Type “ANC” and **GO**. This gives you Analysts’ National Coverage (not African National Congress). This is a listing of the Wall Street analysts who study the company in question and produce reports on it for their companies. It includes their firms and phone number.

   Type “ANR” and **GO** for Analysts’ Recommendations. This will give you a survey. The “cons rating” is the consensus rating among the analysts. Compare it on the graph to the actual price.
Note: There are two kinds of analysts:
A. “Sell side”: Those who serve the brokers who sell stocks and therefore may have a tendency to hype the product; and
B. “Buy side”: Those who serve institutions that purchase stocks (pension funds, money managers, etc.), who are considered more realistic and are harder to reach.

Both of them produce reports, and if you can’t reach the analyst for an interview, you may be able to get a copy of their most recent report on the company. Call the research department at the same number and ask for it to be sent to you, or to be held for pick up.

4. To find the major shareholders of your stock, type “HDS” and GO. The listings in blue are those who are currently buying your stock. The reds are selling. You’re interested in both.

To find “Buy-side analysts” (see above), call up an institution listed here among the money managers and investment firms. Ask for the research department, then ask for a researcher who specializes in your stock.

5. Type CH2 and GO. This will give you detailed information on corporate earnings.

6. Hold down the shift key and press the green key marked Quote 2.

Look at Box 5, and type 5 GO. This shows you have the stock has been traded over the past month. Box 7 shows you who the major rivals of the company are. Note two of them and their ticker symbols.

7. Type “HMS” GO. This gives you a 4-in-1 screen. Use the arrow keys to tab around the screen. Enter your company, its two rivals in the first three categories, and “INDU” (for Dow Jones Industrial Average) in the fourth.

8. For general company news, type your ticker symbol, press the yellow Equity key, and type “CN.”

9. For financial history, type ticker symbol, Equity, and FA.

9. The Hoover Handbook provides reference materials on many companies (though can be weak on foreign listings). Type HH and GO. There should be a history of the company and anecdotes.

Central Banks

Bloomberg produces a “Central Bank Watch” for every country that has a central bank. This will give you useful information about the economic health of the country.
1. For central bank news type (and add GO):
   NI CEN     Central Banks
   NI CBW     Central Bank Watch
   NI MMK     Money Markets
   TNI EUROP CEN    European central bank news
   TNI ASIA CEN    Asian central bank news
   TNI LATAM CEN   Latin American central bank news

   Find the central bank for your country. If it doesn’t have one, find it for the economic powerhouse in the region or a country that has other influence over your country’s economy.

   Look at the category “Economic indicators.”
International Business Glossary

Concepts:

When stocks go up, bonds go down. (99/100)

National Treatment

Transparency

Figures to know (plus context):

U.S. unemployment

U.S. inflation

Dow Jones Industrial Average

U.S. interest rates

U.S. minimum wage

Glossary:

equity
bond
commodity
currency

ADR
IPO
split
bull market
bear market
derivative
blue chip
junk bond
p/e ratio
leverage
arbitrage
hedge fund
futures

NYSE
NASDAQ
Chicago Commodities Exchange
London Currencies Exchange

Dow Jones Industrial Average

The Fed (Federal Reserve Bank)
Central Bank

**Trade:**

WTO
GATT
Uruguay Round
NAFTA
European Union/Common Market
APEC
Mercosur
G-7
G-8
Emerging Markets
Big Emerging Markets