

Informative speech essay sample

[Economics](#), [Currency](#)



Specific Purpose: To share three ways to invest money with undergraduates

Introduction

(attention getter) I. Good Afternoon! How many of you have taken a look at your bank account and be frustrated by the zero interest you have got?

(relate to audience) II. You are all university students and you will be facing the big challenge of managing your money when you graduate.

(background) III. I was surprised to find a lack of investment seminars or guidelines provided by this University. (credibility) IV. I have read a book called “ Security Analysis” by Benjamin Graham which is praised by Warren Buffet as the book that has changed his life. (reveal purpose) V. My purpose today, is to share with you three ways, from the order of the most basic, to the more advanced, to invest your money. Those are: (preview structure) A.

Depositing in other stable currencies B. Buying high grade bonds

C. Buying bargain stocks

(transition) VI. These concepts are so simple that you do not needs any advanced mathematics except basic arithmetic. I will not be using any technical terms so as to make sure all of you can understand. Without further ado, let’s take a look at how depositing in other stable currency works. This is the easiest way. All you need is a bank account. Body

I. Depositing in stable currencies that offer higher rates.

(statistics) A. For example, you get almost zero interest from your savings account, but if you exchange Hong Kong Dollar for Australian Dollar and deposit it in any bank for 6 months, you are entitled to 4. 00% of interest

(statistics) B. Let me give you another example, you might also exchange

Hong Kong Dollar for New Zealand Dollar and deposit it in New Zealand Dollar for 6 months and you should be able to receive about 5.00% of interest. [You can go to deposit.org and check for interest rates in different currencies. C. I have a friend working at Standard Chartered who borrowed a personal loan from the bank at 0.08% interest. He immediately exchanged the sum for Renminbi and deposited it for over 5.00% over the next 6 months. [I am going sidetrack for a moment to mention that the only risk is currency fluctuation. But that is minimal because you have deposited in a stable currency and it lasts for 6 months only.] (transition) [That's it for the first way. Now, let me walk you through the second way which is buying high rate bonds. It is slightly more difficult than depositing because you need to gather information from grading agencies about the bonds.

II. Buying high grade bond.

A bond is a loan to a company. There are agencies to grade them for us.] (statistics) A. For example, a 3 year bond issued by Hutchison Whampoa (the company chaired by Lee Ka-Shing) has a grade of A- according to Standard & Poor's and bears 7.45% of interest.

B. Let me give you another example, a 3 year bond issued by Bank of America has a grade of A- and an interest of 5.75%.

C. I am going to give you one more, a 5 year bond by Morgan Stanley also has a grade of A- and bear an interest of 7.30%. These bond has good grade which shows that they are reliable companies which can repay your money and interest on time. I am going off-topic again to explain

to you that the risk is minimal because these companies are not likely to go bankrupt in the next few years.

I hope you can follow what I have said so far. By mastering the first two ways, you are now competent investors. Let's us proceed to the third way which is buying bargain stock, it is the most advanced because you have to understand basic accounting to be able to calculate the net worth of a company

III. Buying bargain stock.

A stock is a piece of ownership of a company. Bargain stock is stock that sell below the net worth of the company. A. Let me give you an analogy of Tychoon Lee selling Hutchison Whampoa which is worth 100 million dollar to you for 50 million dollar.

The question is: would Tycoon Lee do that? Absolutely not! However, somebody in the stock market would.

B. If Hutchison is worth \$100 dollar a share, someone may sell for \$50 dollar when the market is crashing down! (example) C. There are many real life examples. Many Chinese companies listed on American Exchanges are selling at half their net worth because of irrational fear of Chinese accounting fraud. (statistics) 1. eg. Gulf Resources Inc. was selling at 47.7% of its net worth. I am going sidetrack to explain that the risk is minimal because you buy a company below what it is actually worth. Conclusion

I. This kind of bargain is actually common in a stock market crash. You can easily make a killing simply by knowing what a company is really worth.

(simple summary) II. To review, then, let me remind you the three ways of investing your money:

A. Depositing in another currency

B. Buying high grade bonds

C. Buying bargain stocks

III. One last thought, investing is like sailing in an ocean, if you don't know where you are heading, then no wind is favorable. I have given you three bearings today, let us set sail together and seek our fortune!