

Cheering for Trump's failure has brought millions to his stock shorters

Description

A group of amateur Wall Street investors have been profiting from betting against the stock price of Donald Trump's social media business, Truth Social. Despite massive buying by Trump loyalists and volatile swings in the stock price, these investors have collectively made tens of millions of dollars in the past month. Their bearish bets are driven by the company's poor financials, with one investor stating, "This company makes no money... it makes no sense."

While these investors have seen paper profits of at least \$200 million so far, they remain cautious due to the stock's volatility. Trump's 65% stake in the company has already decreased in value, but is still worth \$4 billion. Many believe the company's financial report, which shows significant losses and doubts about its ability to continue, is a short seller's dream.

Despite facing challenges such as high borrowing fees and potential short squeezes, these investors remain confident in their bets against the stock. The small float of shares available for trading could lead to drastic price movements in the future. Some are even hedging their bets by purchasing "calls" in addition to their "put" options.

For those looking for a simpler way to bet against Trump, offshore betting sites are taking wagers on the 2024 election, with some even favoring President Joe Biden. This complex and risky investment strategy highlights the potential rewards and dangers of betting against a controversial figure like Donald Trump.

Vocabulary List:

1. **Amateur** // (noun/adjective): A person who engages in a particular activity as a pastime rather than as a profession.
2. **Profiting** // (verb): Making a financial gain especially through investing or trading.
3. **Loyalists** // (noun): Individuals who are loyal to a particular person or cause.
4. **Financials** // (noun): Financial statements or reports.
5. **Float** // (noun): The number of shares available for trading to the public.
6. **Hedging** // (noun): Reducing the risk of adverse price movements in an investment by taking an offsetting position.

Vocabulary quizzes

Multiple Choice (Select the Correct answer for each question.)

1. What is the term for introducing new ideas methods or products?

- Option: Subscription
- Option: Recurring
- Option: Innovate
- Option: Profit

2. Which term refers to the degree of variation of a trading price series over time?

- Option: Unlimited
- Option: Hedging
- Option: Hawkish
- Option: Volatility

3. What word describes something that is expected or predicted?

- Option: Surge
- Option: Amateur
- Option: Anticipated
- Option: Megacap

4. What is the term for having exclusive possession or control of a supply or trade in a commodity?

- Option: Betting
- Option: Monopolize
- Option: Stagnation
- Option: Inflation

5. What term describes cooperative relationships between individuals or organizations?

- Option: Betting
- Option: Postpone
- Option: Partnerships
- Option: Enforcers

6. What describes having no limits restrictions or boundaries?

- Option: Unlimited
- Option: Amateur
- Option: Decline
- Option: Profit

7. Which term refers to the financial gain made in a transaction or business endeavor?

- Option: Recurrence
- Option: Elusive
- Option: Stagnation
- Option: Profit

8. What word describes something that is difficult to find catch achieve or remember?

- Option: Innovate
- Option: Elusive
- Option: Betting
- Option: Hawkish

9. Which term means to delay an event or schedule to a later time or date?

- Option: Subscriptions
- Option: Impede
- Option: Postpone
- Option: Whirlwind

10. What term describes having an aggressive or warlike policy especially in foreign affairs?

- Option: Impede
- Option: Confidential
- Option: Hawkish
- Option: Recurrence

Gap-Fill (Fill in the blanks with the correct word from the vocabulary list.)

11. _____ revenue is generated regularly at specific intervals.

12. Some people engage in _____ as a form of entertainment or investment.

13. The company's _____ showed a significant improvement this quarter.

14. Her life became a _____ of activity after she won the lottery.

15. Obstacles can _____ progress if not addressed effectively.

16. Customer _____ is a key indicator of product quality and service excellence.

17. The economy experienced a sudden _____ due to unforeseen circumstances.

18. Innovation is essential to avoid _____ in any industry.

19. To access exclusive content users can purchase a monthly _____ plan.

20. Law enforcement officers are the primary _____ of regulations and laws.

**Matching Sentences (Match each definition to the correct word from the vocabulary list.)**

21. Sensitive information should be kept to maintain privacy and security.
22. There was a sudden in online sales after the marketing campaign.
23. Laws against unfair competition and practices aim to protect consumers and promote fair market competition.
24. Investors tend to favor stocks due to their stability and large market capitalization.
25. Ensuring customer satisfaction should be a top for every business.
26. The product launch received a response from the market leading to poor sales.
27. Investors use strategies to mitigate risks and potential losses in their portfolios.
28. Patterns of economic can be observed over time influencing market dynamics.
29. The new policy changes have far-reaching that need to be carefully considered.
30. Novice painters often start as artists exploring their creativity.

Answer

Multiple Choice: 1. Innovate 2. Volatility 3. Anticipated 4. Monopolize 5. Partnerships 6. Unlimited 7. Profit 8. Elusive 9. Postpone 10. Hawkish

Gap-Fill: 11. Recurring 12. Betting 13. Financials 14. Whirlwind 15. Impede 16. Satisfaction 17. Decline 18. Stagnation 19. Subscription 20. Enforcers

Matching sentence: 1. Confidential 2. Surge 3. Antitrust 4. Megacap 5. Priority 6. Lackluster 7. Hedging 8. Recurrence 9. Implications 10. Amateur

CATEGORY

1. Business - LEVEL5

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