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Sir Isaac Newton is said to have expressed concern about the motivation and direction of investors: "Ich kann die Bahn der Himmelskörper berechnen, nicht aber wohin eine verrückte Menge die Kurse treibt."[69] Reflecting briefly on Newton's quote brings to mind his three laws of motion:

- An object in motion tends to stay in motion, and an object at rest tends to stay at rest, unless the object is acted upon by an outside force.
- The rate of change of linear momentum is proportional to the force applied, and takes place in the straight line in which that force acts.
- For every action there is an equally opposed reaction.

If one were to omit mentioning that these three statements are really the three Newtonian laws of motion, it would not be exceedingly difficult to imagine that they read almost like rules written for the benefit of economists, particularly in light of and in combination with the foregoing quotation on the direction and unpredictability of stock prices. There are perhaps ways in which to measure the progression of economic stagnation, advance and regression. The first rule would address the importance of economic momentum, while the second one might articulate the effects of market forces. The third rule may reiterate the dangers inherent to market influences. Just as an overheated stock market might collapse in response to untenable P/E (price/earnings) relationships

[69] I am able to calculate the trajectories of heavenly bodies but I am incapable of figuring out which direction a crazy multitude will force stock prices to go (Quoted in *Focus* 29 (1999) <http://finanzen.focus.de:80/D/DA/DAA/DAA40/daa40n.htm#Seitenbeginn>).

and succumb to a subsequent sell-off, the fallout of such a sell-off may, on the other hand, rekindle eagerness among potential investors.[70]

Enough of "Newtonian economics." A brief reflection on the rationale of teaching students business German and about investment strategies begs the question of what it is supposed to achieve. Why not adhere to teaching literature, enlightening students about aesthetics, poetics, and great literary figures and themes? Would that sufficiently prepare them for the mundane world of the marketplace? An honest response would have to be "jein," yes and no, for the purpose of teaching business German is to extend the skills of students to include the language and practices of the German business world, an understanding of the role played by German industry in the global market place and of the differences in the perceptions of economic pursuit. It is one aspect of the latter that will be discussed in this essay, i.e. investment language and practice and what students need to know about them. More specifically, the ability to recognize and identify a variety of factors that influence the economy in a major way and to talk about them knowledgeably and intelligibly in German.

By way of an introduction, discussing cartoons such as for instance a *Nonsequitur* strip talking about "selling stock," "showing profit," being "in debt" or "speculating in the stock market" and a "crash looming on the horizon,"[71] quickly drives home the unmistakable message that the language of business is largely discrete and differs significantly from its everyday or literary language use. In addition to the benefit of becoming more conversant in German using the proper code, the economic contexts, events and facts on which students are told to focus also sharpen their insights into the various aspects of the business world.

What, then, will it take to become a Wallstreet watchdog, a "Börsianer"? Is there a blueprint or a roadmap that could accompany a day-by-day analysis of economic developments and trends? Even after explaining basic economic and investment concepts in and the mechanics of investment practices and strategies, there still remains the need for a more complete picture in the form of a checklist of the events that affect fortunes, gained and lost. To this end, the hybrid acronym, PIGLEGG,

[70]Cf. the events surrounding the sell-off on April 14, 2000, when the Dow Jones dropped at a historic rate and the Nasdaq appeared to experience a free-fall, followed by a subsequent respectable recovery merely two trading days later.

[71]February 8, 2000. Cf. the Dilbert cartoon of the same date, talking about "investment fund," "fees," "funds" and "diversification."

was devised. It makes complete sense only in German, but its attractiveness lies in the fact that it also embraces the pig, a proverbial German prosperity symbol, by alluding to a part of its anatomy.

Some students of business German rely on the acronym as an outline for term papers in which they elaborate on the causes for the economy's performance during a given time period; others use it as a day-to-day checklist to track changes in the economy beyond those attributable to sheer speculation.

"P" signifies "political events" ranging from changes in the national political arena to developments on a larger, global scale. "I" represents the inflation rate, concerns about which and the unemployment rate's effect on it currently seem to be foremost on everybody's mind, presumably because the rate of inflation reflects whether the economy is in danger of overheating and thus endangering the benefits from low inflation. For instance, the 14% drop in the Dow Jones Industrial average during January and February 2000 is partially attributable to concerns about inflation. A case in point was March 7, when the DJ was sent reeling, dropping a hefty 3.7%, or 374 points. Even more serious was likely the fact that the drop constituted a 16.4% loss when compared to the all-time closing high of January 17. And when both the Dow Jones and the Nasdaq dropped over 500 points on April 4, financial analysts seemed to have become inured to wild fluctuations, referring to the day's events with a complacent "techs lead swoon." The first "G" in PIGLEGG is more intriguing than the remaining two. It stands for "monetary policy," or German "Geldpolitik;" it involves monitoring the money supply, specifically M2, the combination of cash and demand plus time deposits. Its principal watchdog is currently none other than the Chairman of the Federal Reserve, Alan Greenspan, so much so that this "G" might as well be referred to as the Greenspan effect. In fact, in a recent associate press article dated February 22, 2000, a British poll was quoted, suggesting that the British consider Alan Greenspan the person who most affects their lives, even more so than their own Prime Minister, Tony Blair, or the Queen. And Susannah Koelbl in the German news magazine *Der Spiegel* called him the "new magic man of the Millennium."[72]

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72 <http://www.abcnews.go.com/sections/business/DailyNews/greenspan_profile000221.html>.

Currency exchange rates also belong to this category. For instance, the continued decline of the € since late 1999, when 1 € equaled 1 US $, has led to a significant bonanza for the export-driven economy of the European Union. For instance, German exports to countries outside the European Union have jumped a stunning 40% to the United States in February and 26% to Great Britain according to the German Association of Wholesalers and Exporters; furthermore, the cost to the manufacturers of German cars sold in the United States have dropped by as much as 25% relative to the € over the past several months, once again making it cheaper to produce cars in Europe rather than in the United States.[73] By following the fortunes—literally—of the €, students quickly comprehend that what looks like a dismal downward slide, in reality translates into a 1% rise in profits for major European companies, e.g. the EuroStoxx 50 companies, for every 1% drop in the value of the €.

"L" indicates "Leistungsbilanz," the net position of three balances generally analyzed separately by US economists, but lumped together and viewed as one major composite economic indicator by their German counterparts. This net position or current accounts balance consists of the balance of goods, normally referred to as balance of trade, the balance of services and the net position on gratuitous monetary transfers, the so-called transfer balance, such as earnings transferred by foreign workers to their native countries, contributions to international organizations (e.g. contributions to the UN or the EU) or foreign assistance and humanitarian aid to advance political and economic interests. As for Germany, World War II reparations and compensation to the victims of Nazi terrorism also fall under this category. Occasionally, the first two balances are lumped together in United States government reports as "goods and services."

"E" is for the price of energy, mostly in the form of oil, natural gas and electricity. For instance, the recent rise in the price of imported crude oil to its highest level in nine years, has consumers realize that the effects of rising energy prices extend far beyond the corner gas station.

The second "G" represents the currently less significant economic factor of the price for one troy ounce of gold, which, until recently, was the chief commodity among the precious metals and touted at times as a hedge in times of crisis, to the extent that a rising or falling gold price

[73] This is poignantly illustrated by the fact that DaimlerChrysler has shifted its production of M series cars from Tuscaloosa, Alabama to Graz, Austria.

would indicate the level of seriousness of a perceived political or economic crisis. However, recent announcements regarding the sale of gold by foreign central banks are quickly eroding the position of gold among the list of "safe havens."

The third G completes the formula. It is the abbreviation for the German word for rumors, *Gerüchte*, dealing with both political and economically significant events. Presumed insider information, rumors about mergers and initial public offerings fall under this category. And so do concerns about an anticipated or impending rise in interest rates which, in turn, tends to rouse equity concerns. A perfect example for the greatest rumor in recent history is the Y2K craze of 1999. In fact, rumors are so important that one of the leading newspapers in Germany, *Die Welt*, carries a daily byline in its financial news section entitled "Jüngstes Gerücht" or hot rumor. In German, this is clearly also a play on words since the mere change of 'ü' in "Gerücht" to "i" as in "Gericht" suggests the Day of Judgement, i.e. potential doom.

One may ask why none of the stock indices (Dow, Nasdaq, S&P 500 or the Russell 2000, etc.) are included. The answer is relatively simple. First, PIGLEGG is merely a tool with which to explain movements on Wallstreet because stock market indices reflect and respond to PIGLEGG events. Furthermore, the role of stock indices as an economic barometer is seriously jeopardized in today's marketplace. Or, as Bill Barnhart put it in his May 17, 2000, Chicago Tribune column commenting on the Federal Reserve's raise of interest rates by half a percentage point on May 16: "…the market's bland reaction to the Fed move reflected two remarkably conflicting sentiments: first, that the Fed is on guard against inflation…second, that the Fed's hamhanded moves…have become irrelevant in a dynamic global economy."[74]

Thus, by observing and tracking a select number of economically significant factors and events, students are provided with a tool enabling them to gauge the workings of the economy. Needless to say, however, one would have to consider fools those real-world investors who were to stop right here, since close attention needs to be paid also to the so-called economic and social indicators, especially the summary "Index of Leading Economic Indicators."

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[74]Bill Barnhart, *Chicago Tribune* (May 17, 2000), Sect. 3, 6.