



# Market Maker®: Basic Rules

## 1. Setting Up the Card Game

Market Maker is best played with poker chips. Designate one color to be \$100, another color to be \$10, and another color to be \$1. Each player should start with at least \$1000 in chips, for example ten \$100s, five \$10s, and five \$1s.

Each player will also need a piece of paper and pencil to keep track when they buy and sell stock. Make two columns on the paper, titling one "Buys" and the other "Sells". Each time you buy a stock, simply make a tally mark in the Buy column. Each time you sell a stock, make a tally mark in the Sell column. When you buy a stock, you pay for it at the agreed price by giving the seller the appropriate amount of chips. Similarly, when you sell a stock, you receive the agreed price in chips from the buyer.

Shuffle the deck and deal two face-down cards to each person. Also deal face down on the table as many cards as there are players, minus 2. For example, with five players, deal three table cards. Put away the rest of the deck.

The stock price starts at \$100, and the dealt cards will move that price up and down when they are turned face up. At the end of the game, all cards will be face-up, and the Final Stock Price will be \$100 plus or minus those cards.

## 2. Using Your Private "Research Reports" Cards to Find Your Target Price

In Market Maker, just like in the real stock market, the idea is to use available information about a stock to estimate how much it's going to be worth in the future, your Target Price™. You will use the value of your two private cards, the values of the table cards as they're revealed, and the way other people are playing to estimate that Target Price.

Look at your two private cards and add them together. Add that number to the game's starting price of \$100 to get your first Target Price, your estimate for what the Final Stock Price will be at the end of the game.

If you are new to Market Maker, we've made calculating your Target Price easy with a mobile-friendly web app. Just point your browser to <http://BullAndBear.market> (yes, .market not .com) and follow the easy instructions.

To be a winner, you must end the game with more cash than you started with, To do this, you should Buy stock at a price Lower than your Target Price and Sell stock at a price Higher than your Target Price.

## 3. Buying From or Selling To the Market Maker

1. Each round, a different player will be the Market Maker, starting with the player to the left of the dealer. The Market Maker begins the round of trading by announcing they will both Buy stock at a price \$2 Lower than their Target Price and they will Sell stock at a price \$2 Higher than their Target Price. This is a "spread" of \$4.
2. Going clockwise, each other player in turn must either Buy one stock from the Market Maker at that announced High price or Sell one stock to them at their announced Low price. Players should try to Buy at a price that is Lower than their own Target Price or Sell at a price that is Higher than their own Target Price. The mobile web app will guide you with what prices you should Buy or Sell.
3. The seller puts a tally mark in their Sell column, and the buyer makes a mark in their Buy column and gives the seller the appropriate price in chips. After each player trades with the Market Maker, the round ends.

## 4. Showing Table Cards in the Next Rounds

1. To start each new round of trading, turn over one of the table's face-down cards. This is like waking up in the morning and seeing the Morning News, giving new information about your stock and changing its price.
2. Players calculate their new Target Price by adding their private cards to the visible Morning News plus \$100.

3. Pass the role of Market Maker clockwise, and play a new round as you did before, with the new Market Maker offering to Buy at \$2 Lower and Sell \$2 Higher than their Target Price. Each other player will decide to either buy or sell with the Market Maker, trying to Buy Lower or Sell Higher than their own Target Price.
4. In the last round, all the table cards are visible, so each player turns one of their two private cards face up on the table for all to see. Players calculate their Target price by adding all the visible cards to their one remaining private card plus \$100. The final Market Maker offers their Buy and Sell prices, and each player makes their last trade with that Market Maker.

## 5. Finding the Winners (and Losers)

1. All players turn over their one remaining private card on the table, making all the dealt cards visible.
2. Calculate the game's Final Stock Price by adding all the dealt cards together plus \$100.
3. To see who won the game, everyone now resets back to zero stocks. Each person looks at their tally marks and cancels out as many as they can by matching 1 Buy with 1 Sell. If there was an equal number of Buys and Sells, just count your money chips. If there are 1 or more Buys or Sells:
  - Players with more Buys than sells "went long". They now sell that number to any other players at the Final Stock Price. There will be others who need to Buy to get themselves back to zero stocks.
  - Players with more Sells than Buys "sold short". They now buy that number from any other players at the Final Stock Price. There will be others who need to Sell to get themselves back to zero stocks.
4. When everyone is back to zero stocks, the same count of Buys and Sells, each player adds up their cash chips.
  - Everyone with more than they started made a profit. Congrats! You Bought Low and Sold High! :)
  - Everyone with less than they started lost money. They unfortunately Bought High and Sold Low. :(
5. Celebrate if you were one of the winners! Celebrate more if you were the biggest winner of the game!
6. If you had a loss or were not the biggest winner, think about how you might trade differently and play again!



## Market Maker® FAQs

**Q: If I am supposed to Buy Low and Sell High, why do I Buy at the Market Maker's High price and Sell at their Low?**

A: When the Market Maker offers to Buy Low and Sell High from their perspective, other players accepting one of those offers naturally end up Buying at the Market Maker's High price or Selling at their Low price. You should always do your best to Buy Lower than your Target Price and Sell Higher than it to maximize your potential profits.

**Q: My Target Price is between the Market Maker's prices so I can't Buy Low or Sell High. What should I do?**

A: This means the offer prices are very close to what you think the stock is really worth. In real life, you shouldn't buy or sell because you think there is no profit to be made. In this basic version of the game, however, the rules force you to trade, so you should Buy or Sell at the price closest to your Target Price to minimize your potential loss.

**Q: I think the Final Stock Price is really going to be higher or lower than my calculated Target Price. Can I adjust it?**

A: Yes! Perhaps you see that many other players think the price is going up or down. You can factor that in to make a better Target Price estimate. Hopefully it will help you have more profit at the end of the game!

**Q: Can players trade with each other or can they only trade with the Market Maker?**

**Q: Can players trade more than one share with the Market Maker or not trade at all?**

A: In the basic version of the game, you can only trade with the Market Maker and only for 1 share of stock. When you're ready, play the advanced rules of the game! After the Market Maker offers to Buy and Sell, any other player can jump in with their own Buy and/or Sell prices, and anyone can trade any number of shares with anyone else at any price they like until they run out of chips. Once all trading stops, pass the role of Market Maker clockwise, reveal the Morning News as in steps 4.3 and 4.4, and trade the remaining rounds! Score as in Step 5 & highest profit wins!