Lotus 1-2-3 9.5

Spreadsheet Tips For Investors

- *Spreadsheets*
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Many financial applications help you track your investments, but there are times you may prefer a spreadsheet. A financial application may not manipulate the numbers the way you want to see them, but a spreadsheet has great flexibility for creating formulas and performing analyses. Additionally, if you don't want to buy another program, you can use your Lotus 1-2-3 program. We'll cover three areas that investors may find useful.

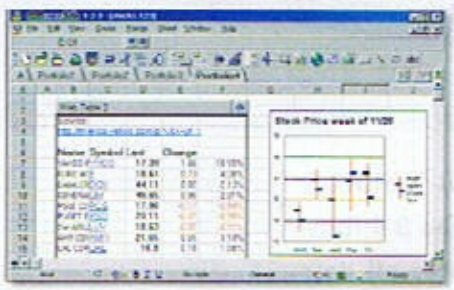
Current Information

You'll probably want to pull financial information, such as stock prices or interest rates, from the Web into your spreadsheet. Select the data on the Web page, copy it, and paste the selection in a worksheet. However, this method is inconvenient if you want to update the figures. Instead, let's create a Web table that automatically updates the data.

Click File, Internet, Get Data From Web. In the URL field, type the address of the Web page that has your financial data. In your spreadsheet, click the range selector (grid) button and click a cell to be the starting point for the Web table. Pick a large blank area of the sheet because the Web table will overwrite any existing data. Click OK.

1-2-3 copies tabular data from the HTML (Hypertext Markup Language) page into cells in the Web table. You can then use the cells in the Web table in formulas or references just like any other cells in the worksheet. Update the Web table by clicking the blue arrow in the top- or bottom-right corner of the table. To set up automatic updates, double-click the title bar of the table, click the tab with the blue arrow, and change the options.

A few of 1-2-3's simple @functions can quickly tell you what your investment will be worth in the future. To determine what a one-time investment will be worth in a few years, use @FV AMOUNT (amount;interest ;length of time) function. Say you bought a bond for $100 that earns 5% interest every year for 10 years. Type **@FVAMOUNT (100;5%;10)** in a cell to calculate the amount. If you are making regular deposits to your investment, use the @FV(regular deposit amount;interest ;length of time) function to find what the total value will be. If, for example, for five years, you deposit $100 a month into an account that earns 8% annually, compounded monthly, type **@FV(100;8%/12;5*12)** to find that at the end of five years of investing you will have $7,347.69.



A Web table copies data from a Web page into your worksheet, maintaining a link to the source location. Use the HLCO (high-low-close-open) chart to track changes in stock prices.

Make sure all of the variables in your formula use the same measure of time to get an accurate result. The first variable, $100, is a *monthly* payment, so you must express the interest and the length of time in months.

If you want to know what interest rate you need to acquire a particular amount of money, use @RATE(future value;initial investment;length of time). Type **@RATE(2000;1000;5)** to show that a $1,000 bond that matures to $2,000 in five years must be earning 14.87% annually. If the bond accrues interest monthly, change the length of time to the number of months (60). The formula @TERM(regular deposit amount;interest;final value) tells you how much time it would take to earn a certain amount of money if you are making regular payments. To save $5,000 by depositing $100 a month in an account that earns 7% annual interest, type **@TERM(100;7%/12;5000)**. It'll take you 44 months, a little more than three and one-half years.

1-2-3 has a slew of financial @functions. To check them out, click the @function button under the menu, List All, and then under Category, click Financial, and scroll through the list.

Graphic Analysis

Gain another perspective on your stock's performance by evaluating the data in a chart. One of the many types of charts you have available is the HLCO (high-low-close-open) chart. Charts are good for looking at how a range of data, such as daily temperatures or stock prices, change over time. For each item, in this case the stock price on a particular day, a vertical line represents the range of stock prices for that day and the hash marks (blue and black in the graphic) represent opening and closing prices. You could use a bar chart to show this same information but with more cluttered results.

To create the chart, select the data including labels and click Create, Chart. On a blank area of the sheet, draw the outline for the chart. 1-2-3 creates a bar chart by default. To change this, double-click the chart and under the Type tab, click the Hi/Low/Close/Open type. Close the InfoBox.

Now go out there and start making your millions. **II**

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