

The Stock Market Crash

Fear is what has been driving stock markets to crash recently. Why? Because of plunging oil prices and China's falling economy. Saudi Arabia is determined to control the world's oil prices so refuses to reduce its pumping in the hope of putting other types of energy companies out of business.

Oil prices have plunged from US\$110 per barrel to a low of US\$26.19 a barrel. This is damaging for the world economy. It has caused stress in the credit market as oil is tied to many products.

As a result a five year bull market turned into a bear market in May 2015. Stock markets have now plunged more than 20%. Certainly in some markets 10% corrections have taken place with a slight recovery in markets over the last few days. Is there now a recession in the USA? No, as the US markets are strong with job growth. This resulted in the Fed raising the base rate in December.

How far will oil prices fall? That depends on who you talk to. Some pundits have said US\$20, others US\$16. It could go as low as US\$10, which would then make oil practically as cheap as water!

Low oil prices are great for consumers and business but the fall in oil prices is so fast it is destabilising many economies. It is already resulting in many layoffs and bankruptcies.

OPEC won't cut production, as they wish to retain their market share but it is costing them billions. Iran is now back in the game. The USA has developed and produces cheap shale oil. Meanwhile China and other emerging markets are now slowing. The US dollar is also strong, but this is driving down oil prices.

On Friday crude oil spiked to US\$32.19 a barrel – its biggest jump since August. The rollercoaster volatile computerised markets continue to surprise many investors.

SPEAKING – WARM UP

Think of three things you know about the recent stock market falls. Go round the room swapping details with others.

LISTENING – WRITING - DICTATION

The teacher will read some lines of the article slowly to the class.

READING

Students should now read the article aloud, swapping readers every paragraph.

SPEAKING - UNDERSTANDING

1) The article – Students check any unknown vocabulary or phrases with the teacher.

2) The article - Students should look through the article with the teacher.

- 1) What is the article about?
- 2) What do you think about the article?
- 3) Was this an easy or difficult article to understand?
- 4) Was this a boring or interesting article?
- 5) Discuss the article.

3) Article quiz - Students quiz each other in pairs. Score a point for each correct answer. Score half a point each time you have to look at the article for help. See who can get the highest score!

Student A questions

- 1) Name the countries.
- 2) What is the Fed?
- 3) What did the Fed do?
- 4) What does 'OPEC' stand for?
- 5) What won't 'OPEC' do?

Student B questions

- 1) How much was oil on Friday?
- 2) How low did oil prices plunge?
- 3) What is 'a correction'?
- 4) How low could oil fall?
- 5) Why is Saudi Arabia refusing to reduce its pumping?

Note: 'OPEC' = The Organisation of the Petroleum Exporting Countries

Category: Business / Economic / Stock Market
Level: Intermediate / Upper Intermediate

The Stock Market Crash – 25th January 2016

WRITING / SPEAKING

In pairs. On the board write as many words about the '**The Stock Market Crash**'. *One-two minutes.* Compare with other teams. Using your words compile a short dialogue together.

WRITING / SPEAKING

In pairs think of three advantages and three disadvantages of a stock market crash. Write them below. Talk about them!

- 1) _____ (1) _____
- 2) _____ (2) _____
- 3) _____ (3) _____

The teacher will choose some pairs to discuss their findings to the class.

SPEAKING - WRITING

In pairs – You have US\$200,000 to invest. Think of three ways to invest it in the current market. (Imagine!) Discuss together.

SPEAKING - DISCUSSION

Allow 10 minutes – As a class.

20 things on the stock market crash
Google it if necessary!

The teacher can moderate the session.

DISCUSSION

Student A questions

- 1) What do you think about what you've read?
- 2) Do you know anyone who has invested into the stock market?
- 3) How does the stock market affect you?
- 4) Would you like to become a trader?
- 5) Is the stock market likely to recover?
- 6) Is it safe to put your money into the stock market?
- 7) Would it be better to put money into property rather than on the stock market?
- 8) How low will the price of oil fall?
- 9) How long will the Chinese economy take to recover?
- 10) Have you learnt anything in today's English lesson?

SPEAKING – ROLEPLAY 1

In groups. One of you is the interviewer. The others are one of the following people. You are in the *Discussion FM* radio studio in London. Today's interview is about: *The Stock Market Crash*.

- 1) An investor.
- 2) A large oil company boss.
- 3) A spokesperson from the Chinese government.
- 4) An economic journalist.

The teacher will choose some groups to roleplay their interview in front of the class.

SPEAKING - ROLEPLAY 2

In pairs - Student A is a reporter. Student B is an investor! Student A is talking to Student B - 3 mins.

SPEAKING - PRESENTATION

Allow 10 minutes – As a class.

Prepare a 2-3 minute presentation on
The Stock Market Crash
Allow prep time!
Google it if necessary!

The teacher can moderate the session.

DISCUSSION

Student B questions

- 1) Did the headline make you want to read the article?
- 2) How does the Indian economy come into the picture in relation to China?
- 3) Will the Fed raise interest rates again?
- 4) Will the UK raise its interest rates soon?
- 5) How will the dollar rate this year against the euro and the British pound?
- 6) Will we see more layoffs in the oil industry?
- 7) Will water soon be more expensive than oil?
- 8) Why is Saudi Arabia playing a dangerous game?
- 9) How does the oil price fall affect Russia?
- 10) Did you like this discussion?

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GAP FILL: READING

The Stock Market Crash

Fear is what has been driving stock markets to crash recently. Why? Because of plunging oil prices and China's falling (1)__. Saudi Arabia is determined to control the world's oil prices so refuses to reduce its pumping in the hope of putting other types of energy companies out of business.

Oil prices have plunged from US\$110 per barrel to a low of US\$26.19 a barrel. This is damaging for the world economy. It has caused (2)__ in the credit market as oil is tied to many products.

As a result a five year (3)__ market turned into a (4)__ market in May 2015. Stock markets have now plunged more than 20%. Certainly in some markets 10% (5)__ have taken place with a slight (6)__ in markets over the last few days. Is there now a (7)__ in the USA? No, as the US markets are strong with job (8)__. This resulted in the Fed raising the base rate in December.

recession / economy / recovery / bear market / bull market / stress / growth / corrections

How far will oil prices fall? That depends on who you talk to. Some (1)__ have said US\$20, others US\$16. It could go as low as US\$10, which would then make oil (2)__ as cheap as water!

Low oil prices are great for (3)__ and business but the fall in oil prices is so fast it is destabilising many economies. It is already resulting in many (4)__ and bankruptcies. OPEC won't cut production, as they wish to (5)__ their market share but it is costing them billions. Iran is now back in the game. The USA has developed and produces (6)__ shale oil. Meanwhile China and other emerging markets are now slowing. The US dollar is also strong, but this is driving down oil prices. On Friday crude oil spiked to US\$32.19 a barrel – its biggest (7)__ since August. The rollercoaster (8)__ computerised markets continue to surprise many investors.

retain / jump / pundits / volatile / cheap / practically / layoffs / consumers

GAP FILL: GRAMMAR

The Stock Market Crash

Fear is what has been driving stock markets to crash recently. (1)___? Because of plunging oil prices and China's falling economy. Saudi Arabia is determined to control the world's oil prices (2)___ refuses to reduce (3)___ pumping in the hope of putting other types of energy companies out (4)___ business.

Oil prices have plunged from US\$110 per barrel to a low of US\$26.19 a barrel. This is damaging (5)___ the world economy. It has caused stress in the credit market as oil is tied to many products.

(6)___ a result a five year bull market turned into a bear market in May 2015. Stock markets have now plunged more than 20%. Certainly in some markets 10% corrections have taken place with (7)___ slight recovery in markets over the last few days. Is there now a recession in the USA? No, as the US markets are strong with job growth. This resulted in the Fed raising the base rate (8)___ December.

in / as / of / so / why / its / for / a

(1)___ far will oil prices fall? That depends on who you talk to. Some pundits have said US\$20, others US\$16. It (2)___ go as low as US\$10, (3)___ (4)___ then make oil practically as cheap as water!

Low oil prices are great for consumers and business but the fall in oil prices is so fast it is destabilising (5)___ economies. It is already resulting in many layoffs and bankruptcies. OPEC won't cut production, as they wish to retain (6)___ market share but it is costing them billions. Iran is now back in the game. The USA has developed and produces cheap shale oil. (7)___ China and other emerging markets are now slowing. The US dollar is (8)___ strong, but this is driving down oil prices. On Friday crude oil spiked to US\$32.19 a barrel – its biggest jump since August. The rollercoaster volatile computerised markets continue to surprise many investors.

how / meanwhile / would / many / also / their / could / which

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GAP FILL: LISTENING

The Stock Market Crash

Fear is what has been driving _____ crash recently. Why? Because of plunging oil prices and China's falling economy. Saudi Arabia is determined to control the world's oil prices so refuses to reduce its pumping in the hope of putting other types _____ out of business. Oil prices have plunged from US\$110 per barrel to a low of US\$26.19 a barrel. This is damaging for the _____. It has caused stress in the credit market as oil is tied to many products.

As a result a five year bull market turned into a bear market in May 2015. Stock markets have now plunged more than 20%. Certainly in some markets 10% corrections have taken place with _____ markets over the last few days. Is there now a recession in the USA? No, as the US markets are strong with job growth. This resulted in the Fed raising the base rate in December. How far will oil prices fall? That depends on who you talk to. Some pundits have said US\$20, others US\$16. It could go as low as US\$10, which would then make oil practically _____!

Low oil prices are great for _____ but the fall in oil prices is so fast it is destabilising many economies. It is already resulting in many layoffs and bankruptcies.

OPEC won't cut production, as they wish to retain their _____ costing them billions. Iran is now back in the game. The USA has developed and produces cheap shale oil. Meanwhile China and other _____ are now slowing. The US dollar is also strong, but this is driving down oil prices. On Friday crude oil spiked to US\$32.19 a barrel – its biggest jump since August. The _____ computerised markets continue to surprise many investors.

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WRITING/SPELLING

WRITING / SPEAKING

1) On the board - *In pairs/As a class*, list 20 things you know about **stock markets**. *One-two minutes. Talk about each of them.*

2) Sentence starters - Finish these sentence starters. Correct your mistakes. Compare what other people have written.

- 1) The stock market _____
- 2) Oil prices _____
- 3) China _____

3) Write down 50 words about: *The Stock Market Crash*. Your words can be read out in class.

4) Homework - Write and send a 200 word email to your teacher about: ***The Stock Market Crash***. Your email can be read out in class.

SPELLING

The teacher will ask the class individually to spell the following words that are in the article. Afterwards check your answers.

- 1) crash
- 2) recession
- 3) bear
- 4) destabilising
- 5) corrections
- 6) consumers
- 7) economies
- 8) practically
- 9) production
- 10) billions

SPELLING

Use the following ratings:

Pass = 12
Good = 15
Very good = 18
Excellent = 20

- 11) meanwhile
- 12) barrel
- 13) jump
- 14) since
- 15) rollercoaster
- 16) volatile
- 17) just
- 18) reduce
- 19) business
- 20) bankruptcies

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