

SECTOR

Automobiles

Analysis and Synthesis - World



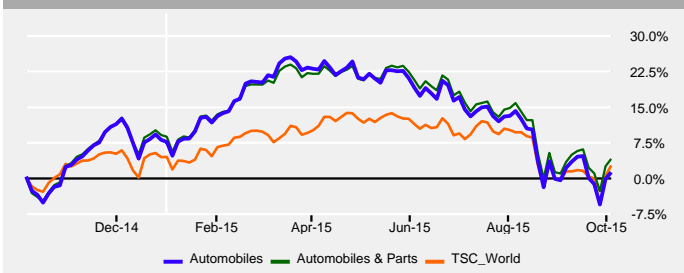
October 6, **2015**



Automobiles (WO)

Closing price of October 6, 2015

Comparison [October 7, 2014 - October 6, 2015]



The sector Automobiles represents approximately 65% of the market capitalization of the group Automobiles & Parts and approximately 2% of the World market with 42 companies being regularly followed by the Screener.

The sector Automobiles is currently trading 19% below its 52 week high and 7% above its 52 week low (bi-weekly closing).

Performance since October 7, 2014: 0.9% vs. 3.9% for the group Automobiles & Parts and 2.5% for the TSC_World.

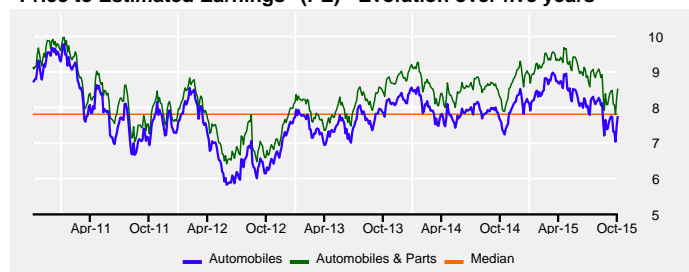
The current % of stocks over their Medium Term technical trend (MTT) is 35.7%.

	Market Value	Perf YtD	Nb of Stocks	Mkt Cap in \$bn	Stars	Risk Zone	G/PE Ratio	LT P/E	LT Growth	4wk Perf	% of Stocks in Uptrend
Automobiles (WO)	194.02	-6.3%	42	984.11	★★★★★	📈	1.82	7.7	10.9%	-2.2%	35.7%
Automobiles & Parts (WO)	240.30	-4.6%	145	1,554.89	★★★★★	📈	1.63	8.5	11.0%	-0.6%	31.7%
TSC_World (WO)	227.40	-1.7%	6,067	53,497.79	★★★★★	📈	1.16	14.7	14.1%	1.2%	32.5%

Price evaluation rating

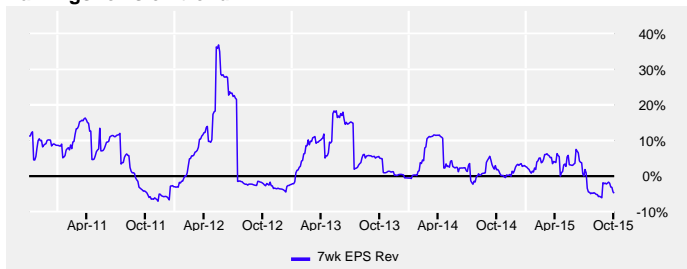
In order to assess whether an index is correctly valued, we focus on Peter Lynch's broadly accepted methodology of comparing the projected earnings growth and dividend with the estimated PE ratio. Based on this approach, we feel this sector is currently strongly undervalued. A "Forecasted Growth + Estimated Dividend Yield/ Estimated Price Earnings" ratio higher than 1.6 often suggests the projected growth is a result of a base effect, meaning the industry group is vulnerable to a reversal situation. In this case, the estimated PE is a better indicator of a sector's expected growth than the Long Term Growth (LT Growth).

"Price to Estimated Earnings" (PE) - Evolution over five years



The estimated PE is calculated on the basis of the underlying stocks. While the PE of the sector Automobiles is 7.7, the PE of its group (Automobiles & Parts) is at the same level (8.5). Historically speaking, this sector is currently trading around its median of 7.8.

Earnings revision trend

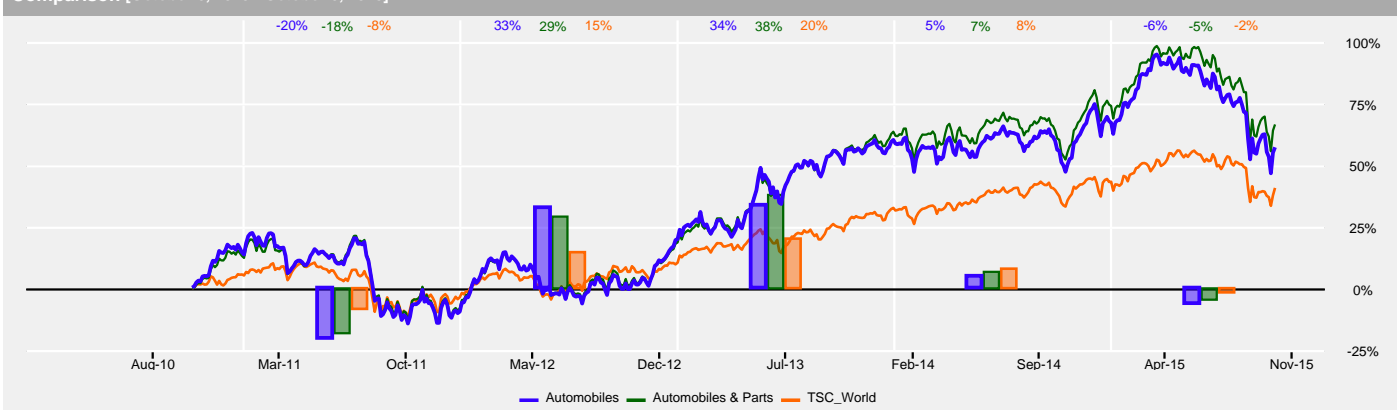


Technical trend

The 40-day Medium Term Technical Trend has been negative since June 5, 2015. The confirmed Technical Reverse point (Tech Reverse + 1.75%) is currently 4% higher. This negative technical trend is confirmed by the percentage of stocks trading above their average, as this number is currently 35.7%. This indicates that the majority of stocks in this sector are part of the current decline.

Compared to seven weeks ago, the analysts have lowered (-5.0%) their earnings estimates. This negative pressure began July 14, 2015 at a price of 218.7.

Comparison [October 6, 2010 - October 6, 2015]



Performance over 5 years

On a 5 year moving average, the performance of the sector Automobiles is 56.9%, vs. 66.5% for the group Automobiles & Parts and 40.7% for the TSC_World. During this period, the high of 240.6 was reached on March 2015 and the low of 105.6 in the month of October 2011.

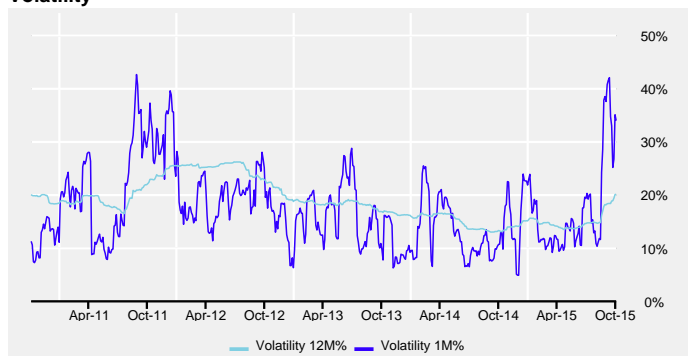


Automobiles (WO)

Closing price of October 6, 2015

	Market Value	Perf YtD	Nb of Stocks	Mkt Cap in \$bn	Stars	Risk Zone	G/PE Ratio	LT P/E	LT Growth	4wk Perf	% of Stocks in Uptrend
Automobiles (WO)	194.02	-6.3%	42	984.11	★★★★★	🌈	1.82	7.7	10.9%	-2.2%	35.7%

Volatility



The volatility is also used as a risk factor. It measures the magnitude of the high and low movements of a stock or index. The more the volatility is high, the more risky a sector is considered to be.

As of the last update, the monthly volatility of (33.9%) is higher than the last few years' average of (17.2%). The high magnitude of short term price fluctuations indicates the market is very nervous.

On the other hand, long term volatility 20.0% of the sector is similar to that of the group Automobiles & Parts (19.0%), reflecting almost identical price variations between the sector and the group to which it belongs.

The risk factor in declining markets

The "Bear Market Factor" measures the behavior of a sector in declining markets. In this context, the sector Automobiles has a tendency to drop in the same proportion as the index TSC_World.

This behavior shows the sector can be somewhat risky during market corrections.

The risk factor in rising markets

The "Bad News Factor" measures a sector's corrections in a rising market phase.

In this configuration, the market slightly sanctions the sector Automobiles when there is specific pressure in this particular economic activity.

When the sector declines in a rising market its average deviation is -1.39%.

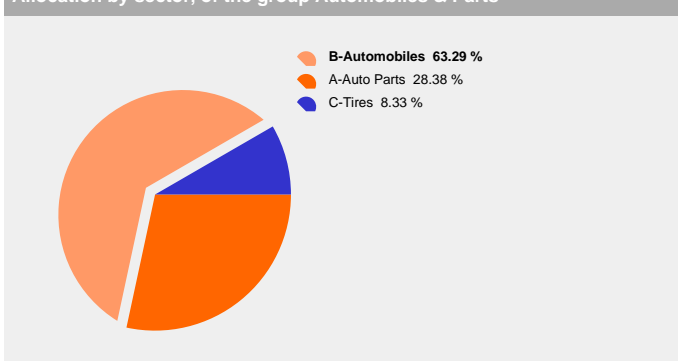
Risk analysis summary

Generally speaking, an investment in the Automobiles sector carries an average risk because of the Bear Market factor, average risk.

Checklist (Automobiles)

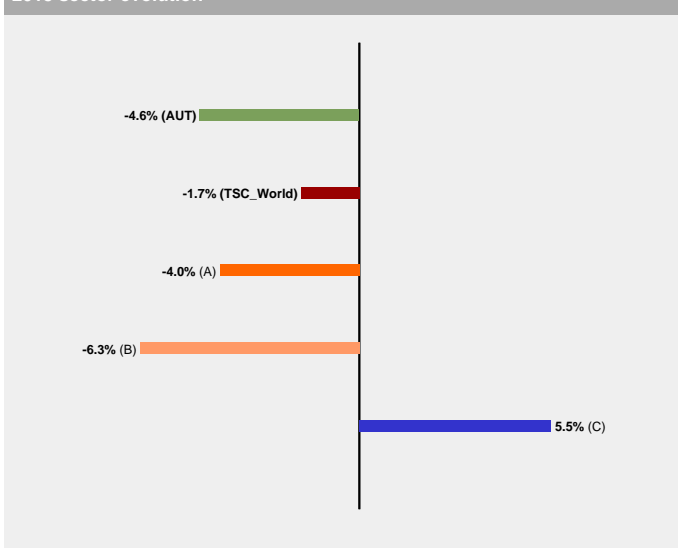
Stars	★★★★★	Very weak interest since September 25, 2015.
Valuation Rating	🚀🚀★	Strongly undervalued
Earnings Rev Trend	📉	Analysts negative since July 14, 2015
MT Tech Trend	📉	Market negative since June 5, 2015
4wk Rel Perf	-2.2%	Under pressure (vs. TSC_World)
Risk Zone	🌈	The industry is classified in the medium-risk zone since January 30, 2015.

Allocation by sector, of the group Automobiles & Parts



The largest sector in terms of market capitalization Automobiles represents 63.3% of the group Automobiles & Parts. These sectors follow, in size order, Auto Parts with 28.4% Tires with 8.3%.

2015 sector evolution



From the beginning of the year, the sector Automobiles recorded a variation of -6.3%, while the group Automobiles & Parts evolved by -4.6%. This industry group is made up of 3 sectors, in which the extreme variations were from -6.3% to 5.5%.

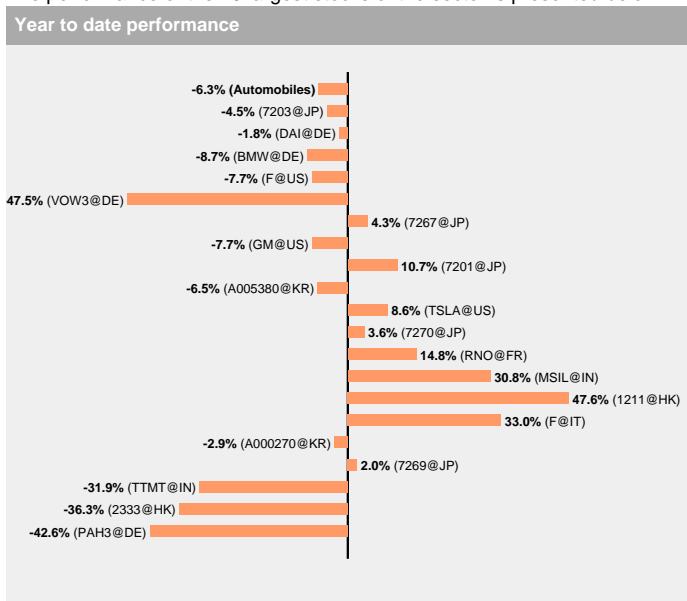


Automobiles (WO)

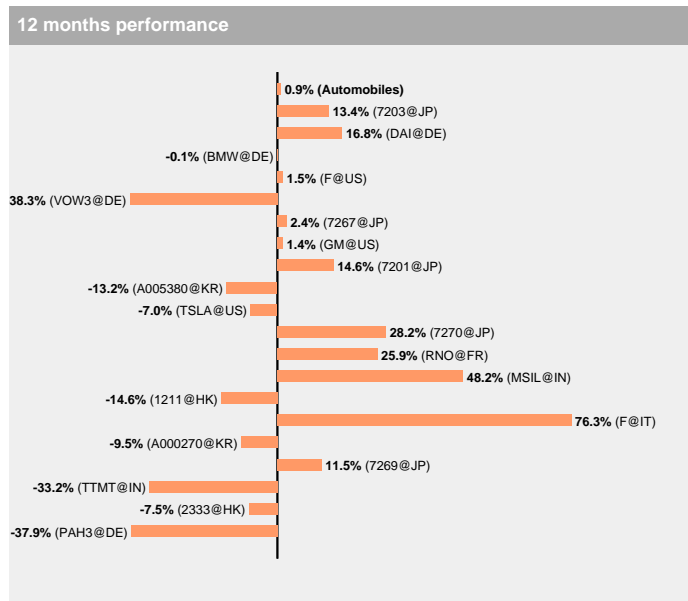
Closing price of October 6, 2015

	Market Value	Perf YtD	Nb of Stocks	Mkt Cap in \$bn	Stars	Risk Zone	G/PE Ratio	LT P/E	LT Growth	4wk Perf	% of Stocks in Uptrend
Automobiles (WO)	194.02	-6.3%	42	984.11	★★★★	🌈	1.82	7.7	10.9%	-2.2%	35.7%

The performance of the 20 largest stocks of the sector is presented below.

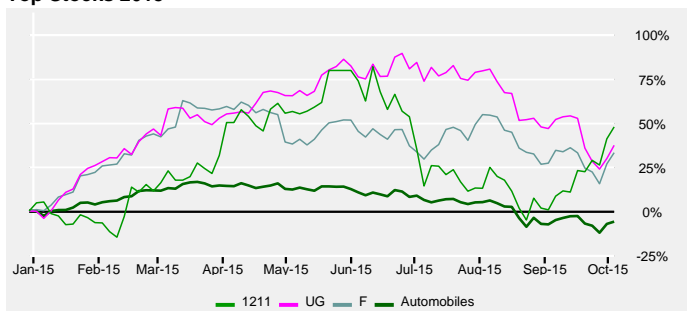


The analysis and details of the above stock can be found on page 6



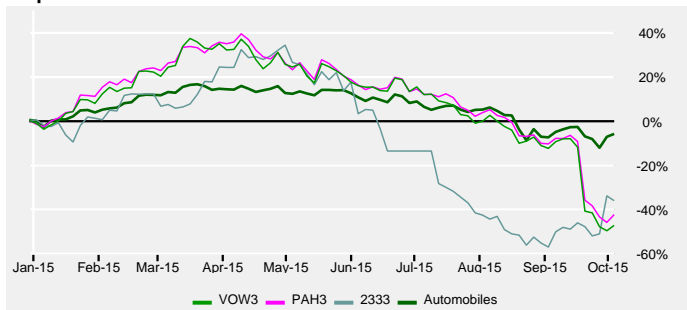
The analysis and details of the above stock can be found on page 6

Top Stocks 2015



From the beginning of the year, the performance of the sector was -6.3%; as for the three best stocks, (BYD COMPANY LTD. (1211), PEUGEOT SA (UG) and FIAT CHRYSLER AUTOS. (F)), their performance was 47.6%, 37.2% and 33.0% respectively.

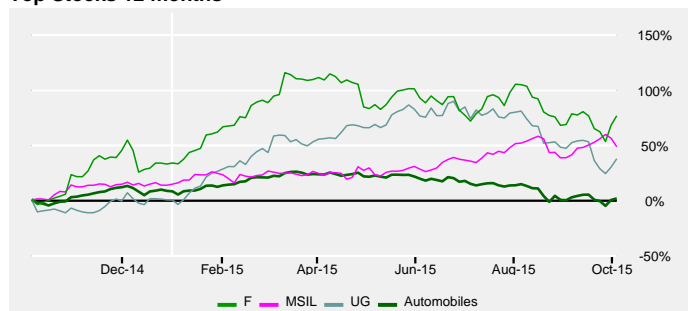
Flop Stocks 2015



VOLKSWAGEN AG (VOW3), PORSCHE AML.HLDG.SE (PAH3) and GREAT WALL MOTOR CO.LTD. (2333) with -47.5%, -42.6% and -36.3% recorded the three worst performances from the beginning of the year. For the sector Automobiles, the variation was -6.3%.

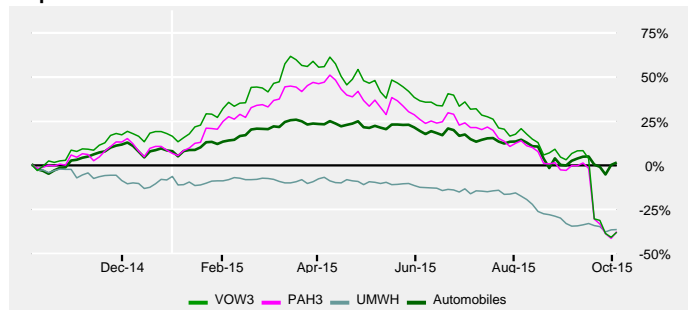
Only companies with a market capitalization exceeding \$500 million are mentioned.

Top Stocks 12 months



Since 12 months ago, the performance of the sector has been 0.9%; the three best stocks, (FIAT CHRYSLER AUTOS. (F), MARUTI SUZUKI INDIA LTD. (MSIL) and PEUGEOT SA (UG)) recorded a performances of 76.3%, 48.2% and 37.3% respectively.

Flop Stocks 12 months



The three worst performances in 12 months were recorded by VOLKSWAGEN AG (VOW3), PORSCHE AML.HLDG.SE (PAH3) and UMW HOLDINGS BERHAD (UMWH) with -38.3%, -37.9% and -36.8%. As for the sector Automobiles, it recorded a variation of 0.9%.

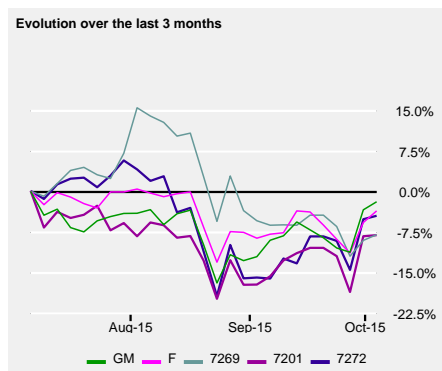


Automobiles (WO)

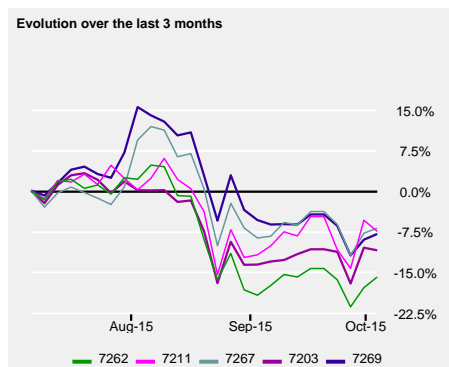
Closing price of October 6, 2015

Stocks with the best valuations

Symbol Market	Name Sector	Price Ccy	Mkt Cap in \$bn	7wk EPS Rev	Stars	Risk Zone	Global Evaluation
GM US	GENERAL MOTORS CO. Automobiles	32.22 USD	51.04	2.0%	★★★★★	🌈	📊
F US	FORD MOTOR CO. Automobiles	14.31 USD	57.80	0.0%	★★★★★	🌈	📊
7269 JP	SUZUKI MOTOR CORP. Automobiles	3,713.00 JPY	17.33	10.5%	★★★★★	🌈	📊
7201 JP	NISSAN MOTOR CO.LTD. Automobiles	1,170.00 JPY	44.01	2.5%	★★★★★	🌈	📊
7272 JP	YAMAHA MOTOR CO.LTD. Automobiles	2,545.00 JPY	7.41	1.5%	★★★★★	🌈	📊



The global rating (Global Evaluation) is a multi-criteria approach that identifies the stocks with the best evaluations. This assessment is the compilation of fundamental (PE, growth, earnings revisions, dividend, etc.), technical (moving average, relative performance), and risk (behavior in declining markets and sensitivity to bad news) factors. In order to present the best selection, only companies with a market capitalization greater than \$1bn and showing good earnings growth valuations, are listed. Furthermore, the eligible stocks must have a minimum rating of two stars; a neutral to positive valuation; a weak to average risk zone; and a minimum correlation of 0.66. When the global rankings are identical, the analysts' 7 week earnings per share revision (7 wk EPS rev) acts as the deciding classification element.



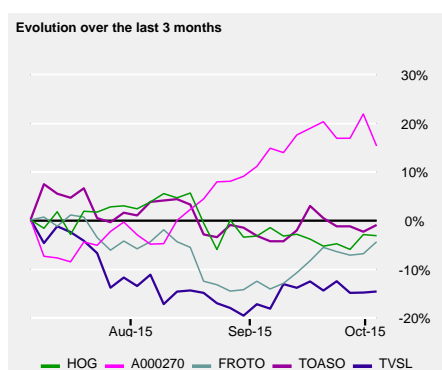
The best defensive stocks

Symbol Market	Name Sector	Price Ccy	Mkt Cap in \$bn	Bear Mkt Factor	Stars	Risk Zone	Global Evaluation
7262 JP	DAIHATSU MOTOR CO.LTD. Automobiles	1,446.00 JPY	5.14	-44	★★★★★	🌈	📊
7211 JP	MITSUBISHI MOTORS CORP. Automobiles	954.00 JPY	7.81	-19	★★★★★	🌈	📊
7267 JP	HONDA MOTOR CO.LTD. Automobiles	3,677.00 JPY	55.42	-5	★★★★★	🌈	📊
7203 JP	TOYOTA MOTOR CORP. Automobiles	7,218.00 JPY	205.28	2	★★★★★	🌈	📊
7269 JP	SUZUKI MOTOR CORP. Automobiles	3,713.00 JPY	17.33	6	★★★★★	🌈	📊

The risk evaluation is based on essentially two criteria: the stock's "behavior in declining markets" (Bear Market Factor), and the stock's "sensitivity to bad news" (Bad News Factor). By positioning a stock according to the world averages, three risk levels can be attributed (weak, average, high). Combining these elements makes it possible to create a final ranking of the best defensive stocks in the market. To present the best selection, only companies with a market capitalization greater than \$1bn and showing good earnings growth valuations are listed. Furthermore, the eligible stocks must have a minimum rating of two stars; a neutral to positive valuation; a weak to average risk zone. In case of a tie, the stock's "behavior in declining markets" will act as the deciding classification element.

The stocks with the lowest correlations

Symbol Market	Name Sector	Price Ccy	Mkt Cap in \$bn	Correlation	Stars	Risk Zone	Global Evaluation
HOG US	HARLEY-DAVIDSON INCO. Automobiles	54.82 USD	11.29	0.64	★★★★★	🌈	📊
A000270 KR	KIA MOTORS CORPORATION Automobiles	50,800.00 KRW	17.66	0.23	★★★★★	🌈	📊
FROTO TR	FORD OTOMOTIV SANAYI AS Automobiles	32.95 TRY	3.88	0.26	★★★★★	🌈	📊
TOASO TR	TOFAS TURK OTOM.FABK.AS Automobiles	17.70 TRY	2.97	0.29	★★★★★	🌈	📊
TVSL IN	T V S MOTOR COMPANY LTD. Automobiles	230.25 INR	1.67	0.36	★★★★★	🌈	📊

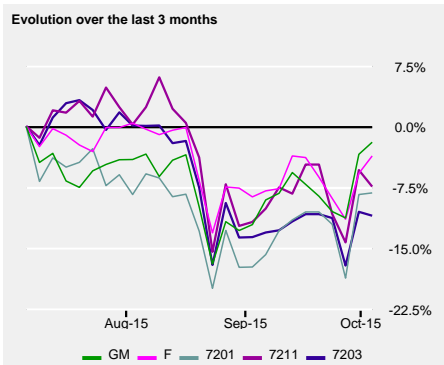


The correlation coefficient permits to identify the stocks of which the dependence on the market is the weakest. If this value is very low, less than 0.5, it signifies that less than 50% of the movements of the stock are explained by the movement of the market. On the contrary, a number close to 1 indicates that the value is very close to the evolutions of the market. In order to present the best selection, only the societies with a market capitalization higher than \$1bn and showing good earnings growth valuations are listed. Furthermore, the eligible stocks must have a minimum rating of two stars; a neutral to positive valuation; a weak to average risk zone; and a minimum correlation of 0.66. In the case of a tie in the ranking, the stock's "behavior in declining markets" (Bear Market Factor) acts as the deciding classification element.



Automobiles (WO)

Closing price of October 6, 2015



The stocks with the weakest PE

Symbol Market	Name Sector	Price Ccy	Mkt Cap in \$bn	LT P/E	Stars	Risk Zone	Global Evaluation
GM US	GENERAL MOTORS CO. Automobiles	32.22 USD	51.04	5.6	★★★★	📊	📊
F US	FORD MOTOR CO. Automobiles	14.31 USD	57.80	6.6	★★★★	📊	📊
7201 JP	NISSAN MOTOR CO.LTD. Automobiles	1,170.00 JPY	44.01	7.3	★★★★	📊	📊
7211 JP	MITSUBISHI MOTORS CORP. Automobiles	954.00 JPY	7.81	7.7	★★★★	📊	📊
7203 JP	TOYOTA MOTOR CORP. Automobiles	7,218.00 JPY	205.28	8.0	★★★★	📊	📊

The price to earnings ratio (PE) helps to find undervalued stocks. It is commonly accepted that if the PE of a stock is lower than the PE of its reference market, the stock has upside price potential. In order to present the best selection, only companies with a market capitalization greater than \$1bn and showing good earnings growth valuations are listed. Furthermore, the eligible stocks must have: a minimum rating of two stars, a neutral to positive valuation, a risk zone weak to average. When the PE ratios are identical, the analysts' 7 week earnings per share revision (7 wk EPS rev) acts as the deciding classification element.

The 20 top stocks classified by market capitalization

Symbol Market	Name Sector	Price Ccy	Perf YtD	Mkt Cap in \$bn	G/PE Ratio	LT P/E	LT Growth	4wk Rel Perf	Div	Volatility 1M	Stars	Risk Zone	Global Evaluation
7203 JP	TOYOTA MOTOR CORP. Automobiles	7,218.00 JPY	-4.5%	205.28	1.46	8.0	8.5%	0.9%	3.3%	43.4%	★★★★	📊	📊
DAI DE	DAIMLER AG Automobiles	68.25 EUR	-1.8%	82.24	1.64	7.5	7.4%	-5.1%	4.9%	44.0%	★★★★	📊	📊
BMW DE	BMW AG Automobiles	82.22 EUR	-8.7%	59.59	1.24	8.5	6.6%	0.8%	3.9%	40.5%	★★★★	📊	📊
F US	FORD MOTOR CO. Automobiles	14.31 USD	-7.7%	57.80	2.36	6.6	11.1%	2.5%	4.5%	34.9%	★★★★	📊	📊
VOW3 DE	VOLKSWAGEN AG Automobiles	97.09 EUR	-47.5%	55.65	3.14	6.0	15.1%	-42.0%	3.8%	145.2%	★★★★	📊	📊
7267 JP	HONDA MOTOR CO.LTD. Automobiles	3,677.00 JPY	4.3%	55.42	1.38	9.2	9.8%	-0.2%	2.8%	37.9%	★★★★	📊	📊
GM US	GENERAL MOTORS CO. Automobiles	32.22 USD	-7.7%	51.04	3.02	5.6	12.2%	8.5%	4.6%	35.7%	★★★★	📊	📊
7201 JP	NISSAN MOTOR CO.LTD. Automobiles	1,170.00 JPY	10.7%	44.01	1.93	7.3	10.2%	8.9%	4.0%	60.6%	★★★★	📊	📊
A005380 KR	HYUNDAI MOTOR CO.LTD. Automobiles	158,000.00 KRW	-6.5%	35.92	1.30	5.7	4.8%	-0.2%	2.6%	35.7%	★★★★	📊	📊
TSLA US	TESLA MOTORS INCO. Automobiles	241.46 USD	8.6%	31.34	2.93	47.2	138.3%	-3.3%	0.0%	22.6%	★★★★	📊	📊
7270 JP	FUJI HEAVY INDS.LTD. Automobiles	4,455.00 JPY	3.6%	29.02	1.47	8.7	9.9%	9.7%	2.8%	58.6%	★★★★	📊	📊
RNO FR	RENAULT SA Automobiles	69.48 EUR	14.8%	23.14	3.12	5.4	13.1%	-4.0%	3.7%	53.2%	★★★★	📊	📊
MSIL IN	MARUTI SUZUKI INDIA LTD. Automobiles	4,354.00 INR	30.8%	20.11	1.61	17.9	27.7%	0.3%	1.0%	30.0%	★★★★	📊	📊
1211 HK	BYD COMPANY LTD. Automobiles	44.80 HKD	47.6%	20.02	1.06	38.1	40.1%	41.9%	0.1%	50.9%	★★★★	📊	📊
F IT	FIAT CHRYSLER AUTOS. Automobiles	12.77 EUR	33.0%	18.48	3.92	7.2	28.0%	2.6%	0.2%	54.3%	★★★★	📊	📊
A000270 KR	KIA MOTORS CORPORATION Automobiles	50,800.00 KRW	-2.9%	17.66	1.33	6.2	5.7%	-1.8%	2.4%	34.7%	★★★★	📊	📊
7269 JP	SUZUKI MOTOR CORP. Automobiles	3,713.00 JPY	2.0%	17.33	1.02	13.0	12.2%	-4.9%	1.0%	31.5%	★★★★	📊	📊
TTMT IN	TATA MOTORS LTD. Automobiles	333.70 INR	-31.9%	16.62	1.90	5.8	10.4%	-3.5%	0.7%	58.1%	★★★★	📊	📊
2333 HK	GREAT WALL MOTOR CO.LTD. Automobiles	9.36 HKD	-36.3%	14.09	1.30	7.3	5.4%	44.4%	4.1%	120.9%	★★★★	📊	📊
PAH3 DE	PORSCHE AML.HLDG.SE Automobiles	38.55 EUR	-42.6%	13.30	3.54	3.7	7.6%	-37.9%	5.5%	127.4%	★★★★	📊	📊

Number of Stocks

The number of stocks in the index that can be analyzed.

Mkt Cap in \$bn

This number represents the Market Capitalization in USD bn. It is calculated by multiplying a firm's share price by the number of outstanding shares. For reasons of comparison, all results are in USD.

Valuation Rating

Our Valuation Rating indicates if a stock is "expensive" or "cheap" relative to its growth potential. This is used to determine whether or not the investor is paying a premium for anticipated growth.

To estimate a stock's value relative to its current price, our Valuation Rating combines:

- stock price
- projected earnings
- projected earnings growth
- dividends

We establish our rating by combining these elements.

There are five ratings, ranging from strongly undervalued 🟢🟢 to strongly overvalued 🟡🔴.

Stars

theScreener.com's star rating system is designed to enable you to identify high-quality stocks quickly and easily.

In this easy-to-use rating system, stars are earned for each element specified below:

- Earnings Rev Trend 🟢 = ★★★★★
- Valuation Rating 🟢, 🟢🟢, 🟢🟢🟢 = ★★★★★
- MT Tech Trend 🟢 = ★★★★★
- 4 week Relative Performance > 1% = ★★★★★

Therefore, a stock can earn a maximum of four stars.

The lowest rating a stock can have is no stars.

Once a stock has earned a star, it will keep it until:

- Earnings Rev Trend becomes negative 🟡
- Valuation Rating becomes negative 🟡, 🟡🔴
- MT Tech Trend becomes negative 🟡
- 4 week Relative Performance drops below -1% (<-1%)

Div

This is the dividend in % for the next 12 months.

Even if the same number is shown, the dividend value can appear in one of four colors, depending on the earnings coverage:

- 0%, no dividend
- 4%, the dividends are covered (between 0% and 40% of earnings)
- 4%, the dividends represent between 40% and 70% of earnings
- 4%, the dividends are higher than 70% of earnings, which implies that the dividend coverage is not guaranteed.

Earnings Rev. Trend

The symbol 🟢 shows that compared with their earnings revisions of seven weeks ago, the analysts have now raised their estimates (7wk EPS Rev; > 1%); the symbol 🟡 indicates that compared with their earnings revisions of seven weeks ago, the analysts have now lowered their estimates (7wk EPS Rev < -1%).

When the earnings revisions (7wk EPS Rev) fall between +1% and -1%, the trend is considered to be neutral 🟢.

The symbol 🟢 indicates that the last significant revisions have been trending positive.

The symbol 🟡 indicates that the last significant revisions have been negative.

7wk EPS Rev

This is an abbreviation for 7 week Earnings Per Share Revision. This column indicates the value of these revised earnings. A figure of 2.8 signifies that compared with seven weeks ago, the analysts have now revised and raised their estimates by 2.8%. On the contrary, a negative number means that the earnings would have been revised lower.

G/PE Ratio

In order to establish our Valuation Rating, we calculate the estimated growth of future earnings (LT Growth) plus dividend in %, divided by the estimated future PE ratio (Long Term P/E).

LT PE

This is the relationship between the price (P) and the estimated long-term future earnings (E LT).

LT Growth

This is the estimated annual growth rate of future earnings, normally projected over the next two to three years.

MT Tech Trend

The MT Tech Trend indicates the current trend, positive 🟢 or negative 🟡, and the Tech Reverse indicates up to which price this trend will remain valid.

When a price falls to 1.75% above or below the Tech Reverse, the MT Tech Trend is considered neutral 🟢.

Once the price breaks out of the +1.75% neutral zone, the MT Tech Trend will change to positive.

The symbol 🟢 indicates that the previous MT Tech Trend was positive.

The symbol 🟡 indicates that the previous MT Tech Trend was negative.

4wk (Rel) Perf.

This figure measures the performance of a stock relative to its national or regional index (compared to four weeks ago). As for an Index, it measures the net performance over 4 weeks.

Bad News Factor

To determine the "Bad News Factor" we analyze a stock's declines in rising markets. In this purely objective analysis, the actual reasons for a stock's behavior are not important. If a stock price falls while its relative index goes up, it can be assumed that the stock's performance has been affected by bad news - hence the name, "Bad News Factor".

Here a stock's movements are measured on a bi-weekly basis, during a sliding 52 week period. Every time a stock drops while its reference index rises, the difference is calculated in %, integrated into a yearly average and expressed in basis points.

The higher the "Bad News Factor," the more a stock has proven to be sensitive to bad news. The lower the "Bad News Factor," the less the stock has proven to be sensitive to bad news.

Bear Market Factor

To determine the "Bear Market Factor" we analyze a stock's price movements in declining markets.

This is the analysis of the movements, in a bi-weekly intervals, during a sliding 52 week period.

The higher the "Bear Market Factor," the greater the probability a stock would drop when its relative index drops.

A "Bear Market Factor" that is strongly negative means the stock has been more resistant to losses in declining markets.

Risk Zone

The price developments of stocks are generally volatile and contain high risks that can result in a total loss. Based on a their historical behavior, stocks are classified by risk levels. These risk levels have to be considered solely in relative historic comparison to other stocks. Please note that even "Low Risk" stocks are equities and therefore high risk investments that can lose up to all of their value, and that based on the past no firm conclusions can be taken into the future.

Risk zones are determined by measuring the "Bear Market Factor" and the "Bad News Factor" against a world reference.

There are three types of risk ratings:

- Low Risk: The risk indicators fall below the world reference average.
- Medium Risk: The risk indicators are situated higher than the world reference average, but lower than one standard deviation.
- High Risk: The risk indicators are at levels higher than one standard deviation.

Volatility 12 M

Volatility is also used as a risk factor. It measures the magnitude of the high and low movements of a stock or index. The higher the volatility, the more risky a stock is considered to be.

% of Stocks in Uptrend

This is the percentage of stocks in a given list that have a positive Medium Term Technical Trend. If, for example, the aggregate of Technology / World, (which is made up of 458 stocks) has 8% "of stocks in Uptrend," it means that 38 of the stocks within that aggregate have a positive Medium Term Technical Trend.

Beta

Beta is often used as a measure of risk. Where a Beta is greater than 100, the stock is more volatile than its reference index and therefore more risky.

Correlation

Correlation is the degree of similarity (in %) in which a stock fluctuates in relation to its reference index.

Disclaimer:

This report is provided for your personal information only, and does not constitute or contain any solicitation, financial advice, or offer to buy or sell any kind of securities. This report was based on sources that we consider reliable, but we do not warrant the accuracy and exhaustiveness of the information, opinions and quotes provided. Past performance is no guarantee of future results.

More information: www.thescreener.com/en/wc/methodology.htm

Earnings forecasts provided by THOMSON REUTERS. Funds data provided by MORNINGSTAR.