

# COUNTRY

# HongKong

Analysis and synthesis



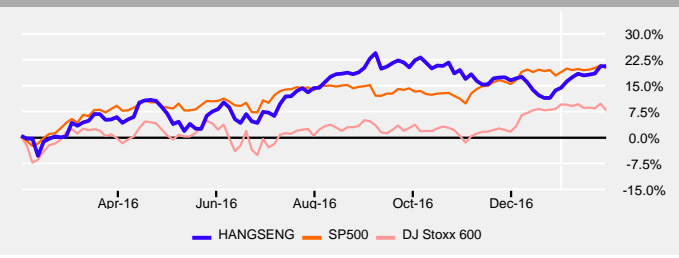
January 31, **2017**



# Hong Kong Market (Reference HANGSENG)

Closing price of January 31, 2017

Comparison [February 2, 2016 - January 31, 2017]



The Hong Kong market represents approximately 5% of the worldwide market capitalization with 302 companies being followed by the Screener.

The index, HANGSENG, is currently trading close to its 52 week high and 28% above its 52 low (bi-weekly closing).

Performance since February 2, 2016: 20.1% vs. 7.6% for the DJ Stoxx 600 and 19.7% for the SP500.

The current % of stocks over their Medium Term technical trend (MTT) is 64.0%.

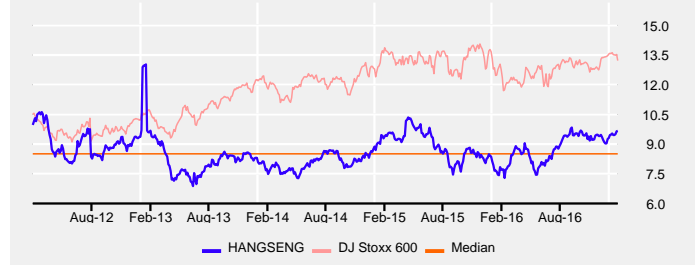
Index	Market Value	Perf YtD	Nb of Stocks	Mkt Cap in \$bn	Stars	Risk Zone	G/PE Ratio	LT P/E	LT Growth	4wk Perf	% of Stocks in Uptrend
HANGSENG (H)	23,360.78	6.2%	50	2,702.46	★★★★★		1.87	9.6	14.4%	6.2%	64.0%
DJ Stoxx 600 (E)	360.12	-0.4%	596	11,305.24	★★★★★		1.38	13.2	14.5%	-0.4%	42.6%
SP500 (US)	2,278.87	1.8%	495	20,788.56	★★★★★		1.12	14.8	14.4%	1.8%	45.1%

### 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 index 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 a significant number of companies in the index are vulnerable to a reversal situation. In this case, the estimated PE is a better indicator of an index'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 index HANGSENG is 9.6, the PE of the DJ Stoxx 600 is markedly higher (13.2); this indicates that the Hong Kong market is trading lower than the index DJ Stoxx 600.

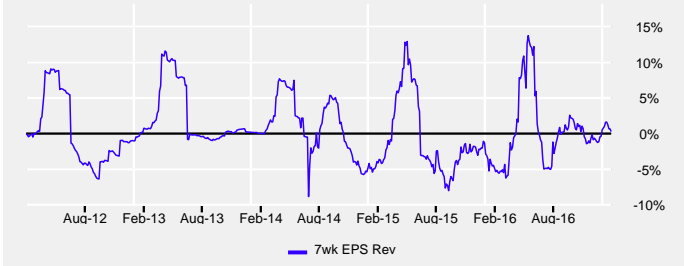
On the other hand, historically speaking, this index is currently trading above its median value of 8.5.

### Technical trend

The 40-day Medium Term Technical Trend has been positive since January 10, 2017. The confirmed Technical Reverse point (Tech Reverse - 1.75%) is currently 5% lower.

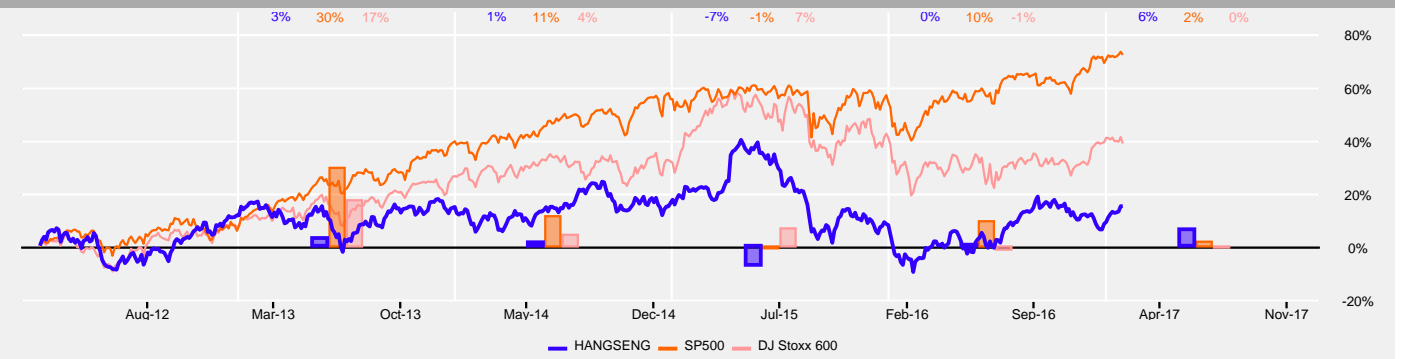
This positive technical trend is confirmed by the fact that 64.0% percent of stocks are trading above their average. This would indicate that a significant number of stocks are part of the current rise in the market.

### Earnings revision trend



Compared to seven weeks ago, the analysts have not significantly revised their earnings estimates (changes between +1% and -1% are considered neutral). But the underlying trend has been positive since January 13, 2017 at a price of 22,937.4.

Comparison [February 1, 2012 - January 31, 2017]



### Performance over 5 years

On a 5 year moving average, the performance of the index HANGSENG is 14.9%, vs. 38.8% for the DJ Stoxx 600 and 72.1% for the SP500. During this period, the high of 28,442.8 was reached on April 2015 and the low of 18,319.6 in the month of February 2016. It is interesting to point out that since 5 years ago the EUR vs. the HKD declined sharply by -18%. The returned performance in HKD is 14.9%, vs. 13.7% for the DJ Stoxx 600 and 72.2% for the SP500.

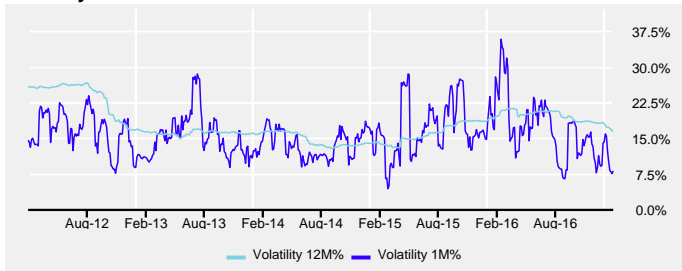


# Hong Kong Market (Reference HANGSENG)

Closing price of January 31, 2017

Index	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
HANGSENG (H)	23,360.78	6.2%	50	2,702.46	★★★★★		1.87	9.6	14.4%	6.2%	64.0%

## Volatility



Volatility is also used as a risk factor. It measures the magnitude of upward and downward movements of a stock or index. The higher the volatility, the more an index is considered risky.

As of the last update, the monthly volatility of (8.1%) is lower than the last few years' average of (15.8%). The low magnitude of short term price fluctuations indicates a lull in the market.

On the other hand, long term volatility 16.5% of the index is similar to that of the index DJ Stoxx 600 (16.7%), reflecting almost identical price variations between this market and the market European.

### The risk factor in declining markets

The "Bear Market Factor" measures the behavior of an index in declining markets. In this context, the index HANGSENG 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 the index's corrections during rising international markets.

In this configuration, the market normally sanctions the index HANGSENG when there is specific pressure in this particular economic activity.

When the index declines in a rising world market its average deviation is -1.23%.

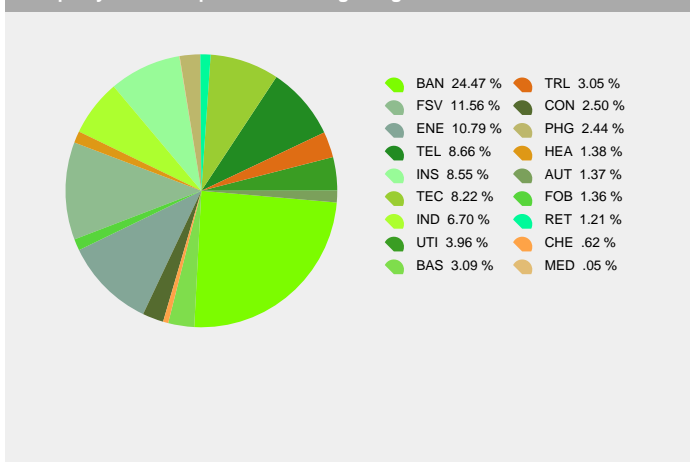
### Risk analysis summary

Generally speaking, an investment in the HANGSENG index carries an average risk, in line with the risk of other equity indices because both, the Bear Market and the Bad News Factors are in the medium risk zone.

## Checklist (HANGSENG)

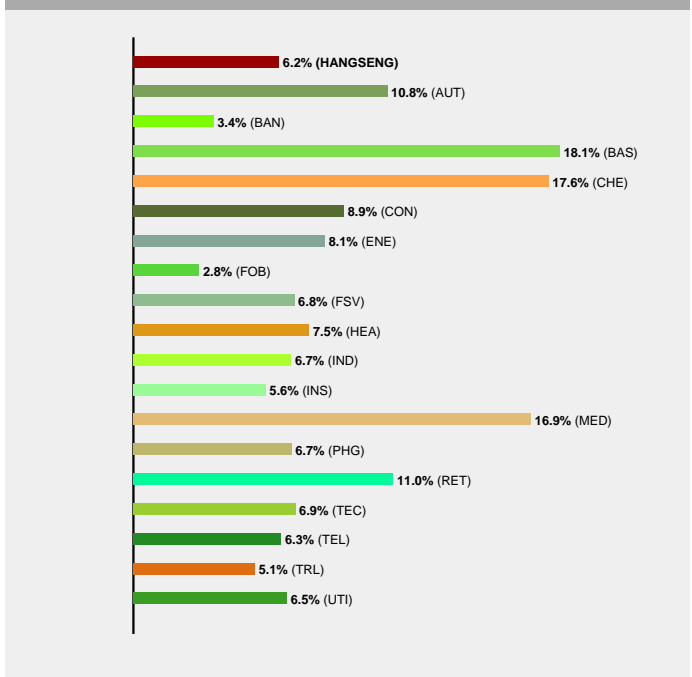
<b>Stars</b>	★★★★★	<b>Very strong interest since January 13, 2017.</b>
Earnings Rev Trend	★	Analysts neutral but previously positive (since January 13, 2017)
Valuation Rating	★	Strongly undervalued
MT Tech Trend	★	Market positive since January 10, 2017
4wk Perf	6.2%	4 weeks price performance
<b>Risk Zone</b>		<b>Medium, no change over 1 year.</b>
Bear Mkt Factor		Average risk positioning during market declines
Bad News Factor		Fair market sanction in case of specific pressure

## Groups by market capitalization Hong Kong



The largest group in terms of market capitalization, Banks, represents 24.5% of the Hong Kong market. In order of size, follow Financial Services with 11.6% Oil & Gas with 10.8%.

## 2017 performance of the groups of the Hong Kong market



Since the beginning of the year, the index HANGSENG recorded a variation of 6.2%. The market is made up of 18 groups, in which the extreme variations were from 2.8% to 18.1%.

AUT:Automobiles & Parts  
BAN:Banks  
BAS:Basic Resources

CHE:Chemicals  
CON:Construction & Materials  
ENE:Energy

FOB:Food & Beverage  
FSV:Financial Services  
HEA:Health Care

IND:Industrial Goods & Services  
INS:Insurance  
MED:Media

PHG:Personal & Household Goods  
RET:Retail  
TEC:Technology

TEL:Telecommunications  
TRL:Travel & Leisure  
UTI:Utilities

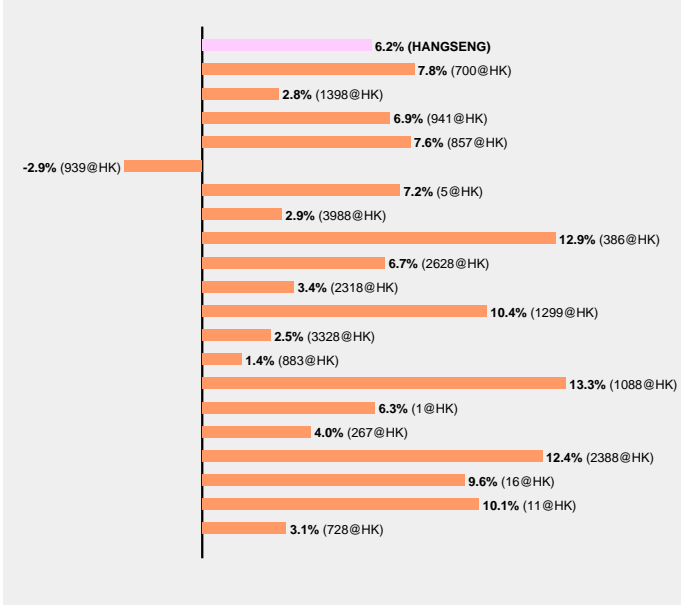


# Hong Kong Market (Reference HANGSENG)

## Closing price of January 31, 2017

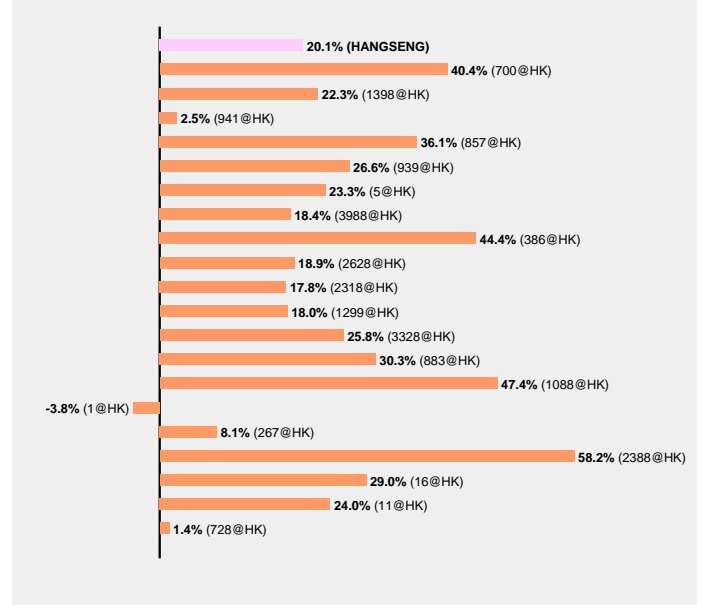
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HANGSENG (H)	23,360.78	6.2%	50	2,702.46	★★★★		1.87	9.6	14.4%	6.2%	64.0%

### 2017 performance of the 20 largest stocks



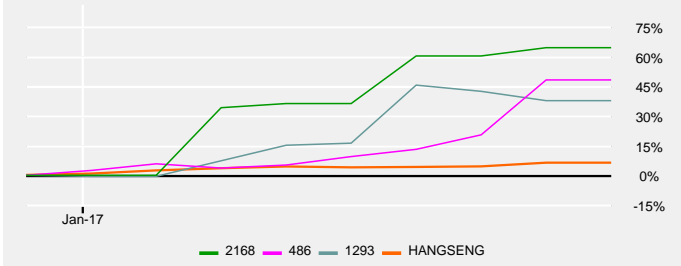
The analysis and details of the above stock can be found on page 6

### The 12 month performance of the 20 largest stocks



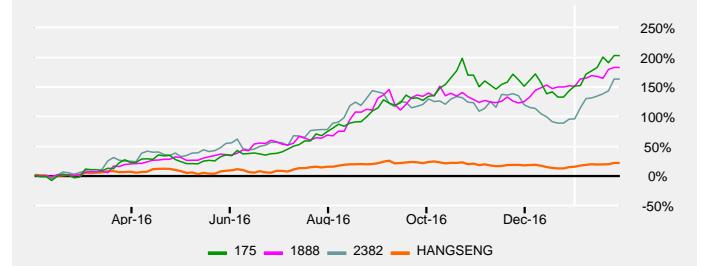
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### Top Stocks 2017



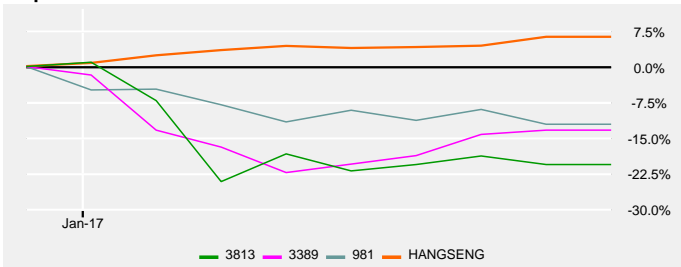
Since the beginning of the year, the performance of the index was 6.2%; as for the three best stocks, (YINGDE GASES GROUP CTD. (2168), UNITED CO.RUSAL PLC (486) and BAOXIN AUTO GROUP LTD. (1293)), their performance was 64.5%, 48.2% and 37.7% respectively.

### Top Stocks 12 months



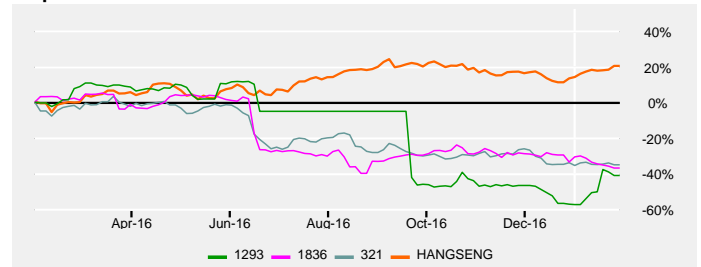
Since 12 months ago, the performance of the index has been 20.1%; the three best stocks, (GEELY AUTMB.HDG.LTD. (175), KINGBOARD LAMI.HDG.LTD. (1888) and SUNNY OPTC.TECH.GP.CTD. (2382)) recorded a performances of 201.6%, 181.6% and 162.0% respectively.

### Flop Stocks 2017



POU SHENG INTL.HDG.LTD. (3813), HENGDELI HOLDINGS LTD. (3389) and SEMICON.MNFG.INTL.CORP. (981) with -20.6%, -13.4% and -12.2% recorded the three worst performances since the beginning of the year. For the index HANGSENG, the variation was 6.2%.

### Flop Stocks 12 months



The three worst performances in 12 months were recorded by BAOXIN AUTO GROUP LTD. (1293), STELLA INTL.HDG.LTD. (1836) and TEXWINCA HOLDINGS LTD. (321) with -41.2%, -37.0% and -35.2%. As for the group, it recorded a variation of 20.1%.

AUT:Automobiles & Parts  
BAN:Banks  
BAS:Basic Resources

CHE:Chemicals  
CON:Construction & Materials  
ENE:Energy

FOB:Food & Beverage  
FSV:Financial Services  
HEA:Health Care

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INS:Insurance  
MED:Media

PHG:Personal & Household Goods  
RET:Retail  
TEC:Technology

TEL:Telecommunications  
TRL:Travel & Leisure  
UTI:Utilities

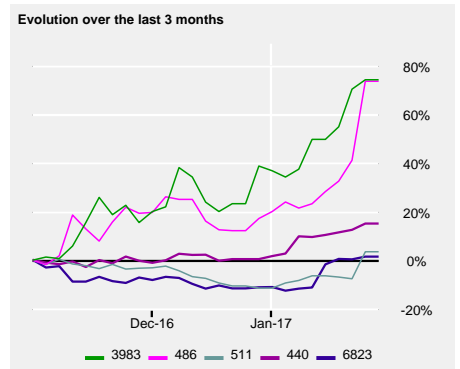


# Hong Kong Market (Reference HANGSENG)

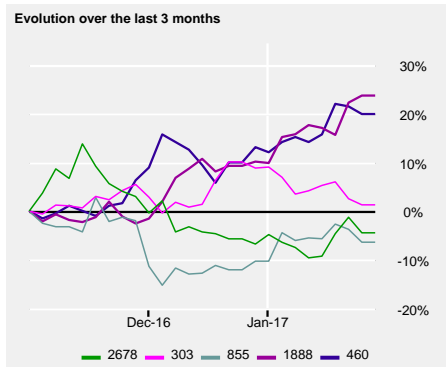
Closing price of January 31, 2017

## Stocks with the best valuations

Symbol Market	Name Sector	Price Ccy	Mkt Cap in \$bn	7wk EPS Rev	Stars	Risk Zone	Global Evaluation
3983 HK	CHINA BLUE CHEMICAL LTD. Specialty Chemicals	2.70 HKD	1.60	114.6%	★★★★★	🟡	📈
486 HK	UNITED CO.RUSAL PLC Non Ferrous Metals	4.86 HKD	9.52	57.3%	★★★★★	🟡	📈
511 HK	TVB.LTD. Broadcasting & Entertainment	29.80 HKD	1.68	28.5%	★★★★★	🟡	📈
440 HK	DAH SING FINL.HDG.LTD. Money Center Banks	60.10 HKD	2.60	11.6%	★★★★★	🟡	📈
6823 HK	HKT TRUST & HKT LTD. Integrated Telecommunications	10.86 HKD	10.60	11.3%	★★★★★	🟡	📈



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. When the global rankings are identical, the analysts' 7 week earnings per share revision (7 wk EPS rev) acts as the deciding classification element.



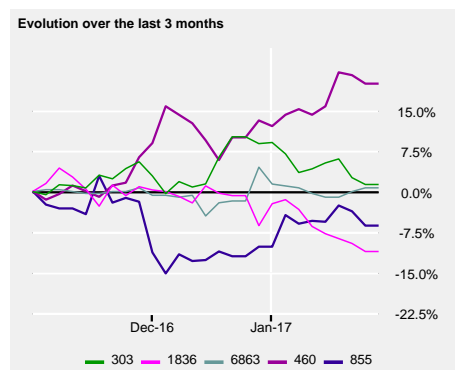
## The best defensive stocks

Symbol Market	Name Sector	Price Ccy	Mkt Cap in \$bn	Bear Mkt Factor	Stars	Risk Zone	Global Evaluation
2678 HK	TEXHONG TEXTILE GP.LTD. Clothing & Accessories	10.76 HKD	1.27	-193	★★★★★	🟡	📈
303 HK	VTECH HOLDINGS LTD. Telecommunications Equipment	96.50 HKD	3.12	-181	★★★★★	🟡	📈
855 HK	CHINA WT.AFFAIRS GP.LTD. Water	5.29 HKD	1.03	-168	★★★★★	🟡	📈
1888 HK	KINGBOARD LAMI.HDG.LTD. Specialty Chemicals	8.56 HKD	3.38	-159	★★★★★	🟡	📈
460 HK	SIHUAN PHARM.HDG.GP.LTD. Pharmaceuticals	2.29 HKD	2.84	-144	★★★★★	🟡	📈

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
303 HK	VTECH HOLDINGS LTD. Telecommunications Equipment	96.50 HKD	3.12	-0.06	★★★★★	🟡	📈
1836 HK	STELLA INTL.HDG.LTD. Footwear	11.86 HKD	1.21	0.04	★★★★★	🟡	📈
6863 HK	CHINA HUIZHAN DY.HCTD. Food Products	2.90 HKD	5.04	0.05	★★★★★	🟡	📈
460 HK	SIHUAN PHARM.HDG.GP.LTD. Pharmaceuticals	2.29 HKD	2.84	0.09	★★★★★	🟡	📈
855 HK	CHINA WT.AFFAIRS GP.LTD. Water	5.29 HKD	1.03	0.10	★★★★★	🟡	📈

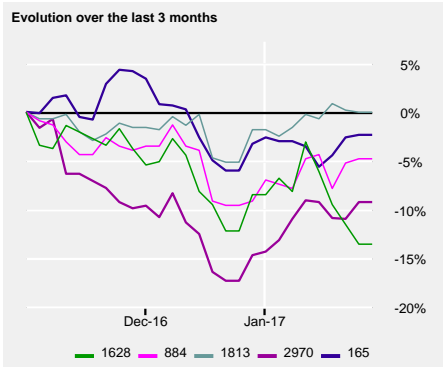


The correlation coefficient permits to identify the stocks of which the dependence on the market is the weakest. If this value is very low, less than 0.5, it signifies that less than 50% of the movements of the stock are explained by the movement of the market. On the contrary, a number close to 1 indicates 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.



# Hong Kong Market (Reference HANGSENG)

Closing price of January 31, 2017



## Stock with the weakest PE

Symbol Market	Name Sector	Price Ccy	Mkt Cap in \$bn	LT P/E	Stars	Risk Zone	Global Evaluation
1628 HK	YUZHOU PROPERTIES CTD. Real Estate Holding & Development	2.55 HKD	1.25	3.0	★★★★	⬆️	📊
884 HK	CIFI HOLDINGS (GP.)CTD. Real Estate Investment Trusts	2.19 HKD	1.90	3.1	★★★★	⬆️	📊
1813 HK	KWG PROPERTY HLDG.LTD. Real Estate Holding & Development	4.48 HKD	1.76	3.3	★★★★	⬆️	📊
2970 HK	GUANGZHOU R&F PROPS.CO. Real Estate Holding & Development	9.98 HKD	4.14	3.5	★★★★	⬆️	📊
165 HK	CHINA EVERBRIGHT LTD. Specialty Finance	14.90 HKD	3.24	4.2	★★★★	⬆️	📊

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
700 HK	TENCENT HOLDINGS LTD. Internet	204.40 HKD	7.7%	249.65	1.12	23.7	26.2%	1.6%	0.4%	17.0%	★★★★	⬆️	📊
1398 HK	INDL. & CMLBK.OF CLTD. Money Center Banks	4.78 HKD	2.8%	233.78	1.87	5.2	4.2%	-3.4%	5.5%	8.7%	★★★★	⬆️	📊
941 HK	CHINA MOBILE LTD. Mobile Telecommunications	87.85 HKD	6.9%	231.82	1.07	12.7	10.3%	0.7%	3.3%	9.5%	★★★★	⬆️	📊
857 HK	PETROCHINA COMPANY LTD. Integrated Oil & Gas	6.22 HKD	7.6%	220.55	10.88	13.4	143.8%	1.4%	2.4%	19.5%	★★★★	⬆️	📊
939 HK	CHINA CON.BK.CORPORATION Money Center Banks	5.80 HKD	-2.8%	187.73	1.86	5.2	4.4%	-9.0%	5.4%	11.4%	★★★★	⬆️	📊
5 HK	HSBC HOLDINGS PLC. Money Center Banks	66.75 HKD	7.2%	170.90	1.27	12.2	9.7%	1.1%	5.8%	12.9%	★★★★	⬆️	📊
3988 HK	BANK OF CHINA LTD. Money Center Banks	3.54 HKD	2.9%	147.85	1.92	5.1	4.3%	-3.3%	5.5%	7.6%	★★★★	⬆️	📊
386 HK	CHINA PTL. & CHM.CORP. Integrated Oil & Gas	6.21 HKD	12.9%	104.20	2.28	10.2	19.0%	6.7%	4.1%	19.3%	★★★★	⬆️	📊
2628 HK	CHINA LIFE IN.CO.LTD. Life Insurance	21.55 HKD	6.7%	98.54	1.34	17.5	21.7%	0.5%	1.7%	14.1%	★★★★	⬆️	📊
2318 HK	PING AN IN.(GP.)CO. Life Insurance	40.10 HKD	3.4%	95.99	1.11	8.9	8.1%	-2.8%	1.8%	9.7%	★★★★	⬆️	📊
1299 HK	AIA GROUP LTD. Life Insurance	48.30 HKD	10.4%	75.05	0.97	15.7	13.4%	4.2%	1.9%	9.9%	★★★★	⬆️	📊
3328 HK	BANK OF COMMS.CO.LTD. Money Center Banks	5.75 HKD	2.5%	60.30	1.75	5.4	4.1%	-3.7%	5.3%	9.3%	★★★★	⬆️	📊
883 HK	CNOOC LTD. Exploration & Production	9.84 HKD	1.4%	56.62	149.50	9.7	1448.7%	-4.7%	3.6%	17.4%	★★★★	⬆️	📊
1088 HK	CHINA SHENHUA EN.CO.LTD. Coal	16.54 HKD	13.3%	48.53	1.20	8.8	6.5%	7.1%	4.2%	31.6%	★★★★	⬆️	📊
1 HK	CK HUTCHISON HDG.LTD. Real Estate Holding & Developme	93.45 HKD	6.3%	46.46	1.36	9.5	9.6%	0.1%	3.3%	12.4%	★★★★	⬆️	📊
267 HK	CITIC LTD. Diversified Industrials	11.54 HKD	4.0%	43.26	1.36	6.6	6.1%	-2.2%	3.0%	13.8%	★★★★	⬆️	📊
2388 HK	BOC HONG KONG (HDG.)LTD. Money Center Banks	31.20 HKD	12.4%	42.51	1.35	11.4	10.8%	6.3%	4.5%	11.8%	★★★★	⬆️	📊
16 HK	SUN HUNG KAI PROPS.LTD. Real Estate Holding & Developme	107.40 HKD	9.6%	40.08	1.10	11.3	8.9%	3.4%	3.6%	13.4%	★★★★	⬆️	📊
11 HK	HANG SENG BANK LTD. Money Center Banks	158.90 HKD	10.1%	39.15	1.05	15.3	12.0%	3.9%	4.0%	9.9%	★★★★	⬆️	📊
728 HK	CHINA TELECOM CORP.LTD. Integrated Telecommunications	3.69 HKD	3.1%	38.49	1.28	11.4	11.7%	-3.1%	2.9%	13.6%	★★★★	⬆️	📊

**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.

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