

# GROUP

## Travel & Leisure

### Analysis and Synthesis - World



June 5, **2018**



# Travel & Leisure (WO)

Closing price of June 5, 2018

Comparison [June 6, 2017 - June 5, 2018]



The group Travel & Leisure represents less than 5% of the World total market capitalization, with 228 of its companies followed regularly by the Screener.

The group Travel & Leisure is currently trading close to its 52 week high and 16% above its 52 week low (bi-weekly closing).

Performance since June 6, 2017 : 13.1% vs 12.8% for the index TSC\_World and 13.2% for the SP500.

41.7% of stocks are currently in a positive Medium Term Technical Trend (MTT).

Name	Market Value	Perf YtD	Nb of Stocks	Mkt Cap in \$bn	Stars	Sensitivity	G/PE Ratio	LT P/E	LT Growth	4wk Perf	% of Stocks in Uptrend
Travel & Leisure (WO)	398.76	5.0%	228	1,867.60	★★★★★	▲	1.28	13.8	15.6%	-0.8%	41.7%
TSC_World (WO)	306.25	4.2%	5,941	72,992.45	★★★★★	▲	1.51	13.0	16.8%	1.0%	41.9%
SP500 (US)	2,748.80	2.8%	493	24,694.00	★★★★★	▲	1.16	14.5	14.9%	3.2%	41.2%

### Price evaluation rating

In order to assess whether an industry group 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 industry group is currently strongly undervalued.

A "Forecasted Growth + Estimated Dividend Yield/ Estimated Price Earnings" ratio higher than 0.9 indicates that the industry group's price presents a discount to growth of -29.8%.

### Earnings revision trend



Compared to seven weeks ago, the analysts have raised (3.7%) their earnings estimates. This positive trend began June 5, 2018 at a price of 398.8.

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



The estimated PE is calculated on the basis of the underlying stocks. The PE of the group Travel & Leisure is 13.8, and the PE of the index (TSC\_World) are at the same level (13.0). Historically speaking, this group is currently trading at its median value of 14.1.

### Technical trend

The group is now at a level close to its 40-day moving average (changes between +1.75% and -1.75% are considered neutral). Prior to this (since April 17, 2018), the group was trading above its moving average. The confirmed Technical Reverse point (Tech Reverse - 1.75%) is currently 3% lower. Close to its average, the group indicates a phase of indecision regarding its trend. On the other hand, with 41.7% of stocks trending positive, it would appear there is a certain weakness in the market that isn't being confirmed by the group.

Comparison [June 7, 2013 - June 5, 2018]



### Performance over 5 years

On a 5 year moving average the performance of the group Travel & Leisure is 85.4%, vs 58.6% for the index TSC\_World and 67.3% for the SP500. During this period, the high was reached on May 2018 and the low on June 2013.

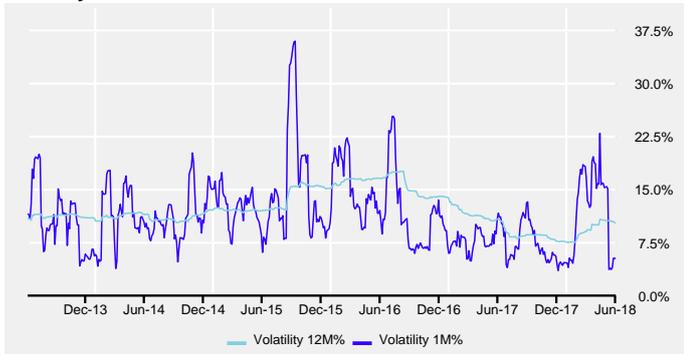


# Travel & Leisure (WO)

Closing price of June 5, 2018

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## Volatility



Volatility is also used as a sensitivity factor. It measures the magnitude of upward and downward movements of a stock or index. The higher the volatility, the more a stock is considered as sensitive to market fluctuations.

As of the last update, the monthly volatility of (5.2%) is lower than the last few years' average of (11.3%). The low magnitude of short term price fluctuations indicates a lull in the market.

On the other hand, long term volatility 10.2% of the group is similar to that of the index TSC\_World (9.9%), reflecting almost identical price variations between the group and the market to which it belongs.

### The sensitivity factor in declining markets

The "Bear Market Factor" measures the behavior of a group in declining markets. In this context, the group Travel & Leisure has a tendency to drop in the same proportion as the index TSC\_World.

This behaviour proves the average sensitivity of the group during market corrections.

### The sensitivity factor in rising markets

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

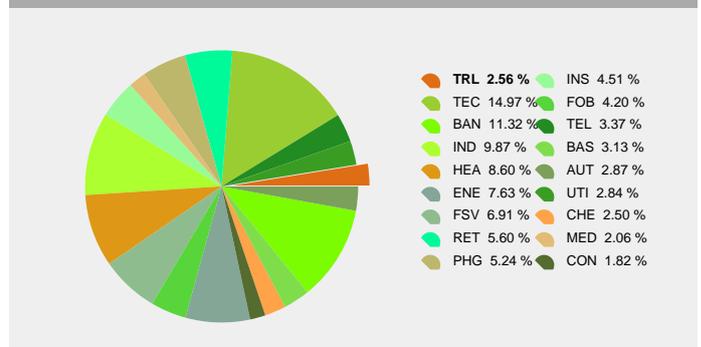
In this configuration, the market slightly sanctions the group Travel & Leisure when there is specific pressure in this particular economic activity.

When the group declines in a rising market its average deviation is -0.55%.

### Sensitivity analysis summary

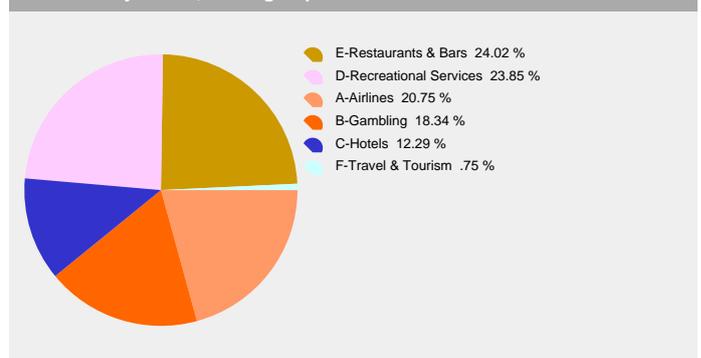
Generally speaking, the Travel & Leisure group shows an average sensitive behaviour illustrated by a low Bear Market factor.

## Allocation by group, of the World market



In terms of market capitalization, the largest group, Technology, represents 15.0% of the market World. In size order these groups then follow: Banks with 11.3% Industrial Goods & Services with 9.9%.

## Allocation by sector, of the group Travel & Leisure



The largest sector in terms of market capitalization Restaurants & Bars represents 24.0% of the group Travel & Leisure. These sectors follow, in size order, Recreational Services with 23.8% Airlines with 20.8%.

## Checklist (Travel & Leisure)

<b>Stars</b>	★★★★★	<b>Very strong interest since June 5, 2018.</b>
Earnings Rev Trend	★	Analysts positive since June 5, 2018
Valuation Rating	★	Strongly undervalued
MT Tech Trend	★	Market neutral but previously positive (since April 17, 2018)
4wk Rel Perf	-0.8% ★	vs. TSC_World
<b>Sensitivity</b>		<b>Moderate, no change over 1 year.</b>
Bear Mkt Factor		Average sensitivity to market corrections
Bad News Factor		Slight market sanction in case of specific pressure

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

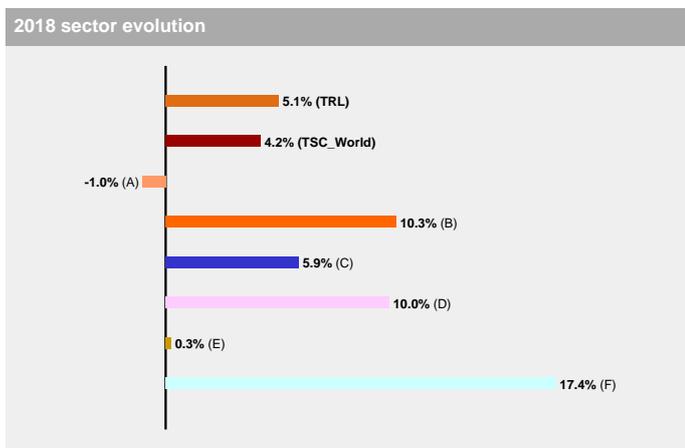


# Travel & Leisure (WO)

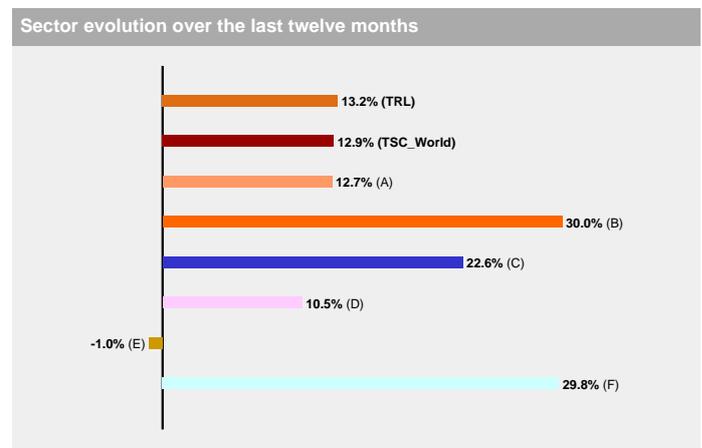
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Name Market	Value	Perf YtD	Nb of Stocks	Mkt Cap in \$bn	Stars	Sensitivity	G/PE Ratio	LT P/E	LT Growth	4wk Perf	% of Stocks in Uptrend
<b>Travel &amp; Leisure TRL@WO</b>	398.76	5.0%	228	1,867.60	★★★★★	📈	1.28	13.8	15.6%	-0.8%	41.7%
A-Airlines WO	342.82	-1.0%	50	387.59	★★★★★	📈	1.96	8.3	14.4%	-1.5%	24.0%
B-Gambling WO	651.86	10.3%	36	342.52	★★★★★	📈	1.25	16.2	17.1%	-0.4%	50.0%
C-Hotels WO	354.71	5.9%	33	229.48	★★★★★	📈	1.09	18.1	18.4%	1.3%	42.4%
D-Recreational Services WO	149.05	10.0%	46	445.41	★★★★★	📈	1.16	14.8	15.6%	0.1%	50.0%
E-Restaurants & Bars WO	314.18	0.2%	58	448.62	★★★★★	📈	0.93	18.6	15.0%	-2.4%	44.8%
F-Travel & Tourism WO	260.54	17.4%	5	13.98	★★★★★	📈	0.97	19.8	17.5%	-3.2%	40.0%
<b>Travel &amp; Leisure TRL@US</b>	525.64	4.3%	73	988.37	★★★★★	📈	1.12	15.2	15.2%	-2.7%	42.5%
Airlines US	187.09	-9.7%	11	135.78	★★★★★	📈	1.64	7.9	11.6%	-2.4%	0.0%
Gambling US	476.87	9.4%	9	135.25	★★★★★	📈	1.16	17.5	17.5%	-3.3%	55.6%
Hotels US	340.33	7.2%	11	138.20	★★★★★	📈	1.03	18.5	18.0%	0.7%	45.5%
Recreational Services US	111.99	10.7%	17	263.96	★★★★★	📈	1.08	16.1	16.3%	-1.3%	58.8%
Restaurants & Bars US	347.90	0.7%	25	315.17	★★★★★	📈	0.93	19.3	15.8%	-5.3%	44.0%

The industry groups are presented in bold characters; followed by the sectors of the same region. The economic regions are separated by a white space.



From the beginning of the year, the group Travel & Leisure recorded a variation of 5.0%, while the index TSC\_World evolved by 4.2%. This industry group is made up of 6 sectors, in which the extreme variations were from -1.0% to 17.4%.



The group Travel & Leisure recorded a variation of 13.1% over the last 12 months, while the index TSC\_World evolved by 12.8%. This industry group is made up of 6 sectors, in which the extreme variations were from -1.0% to 30.0%.

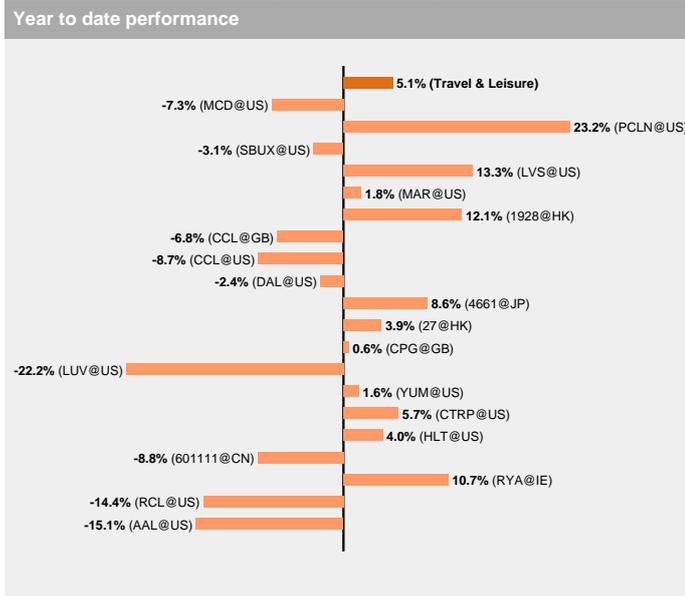


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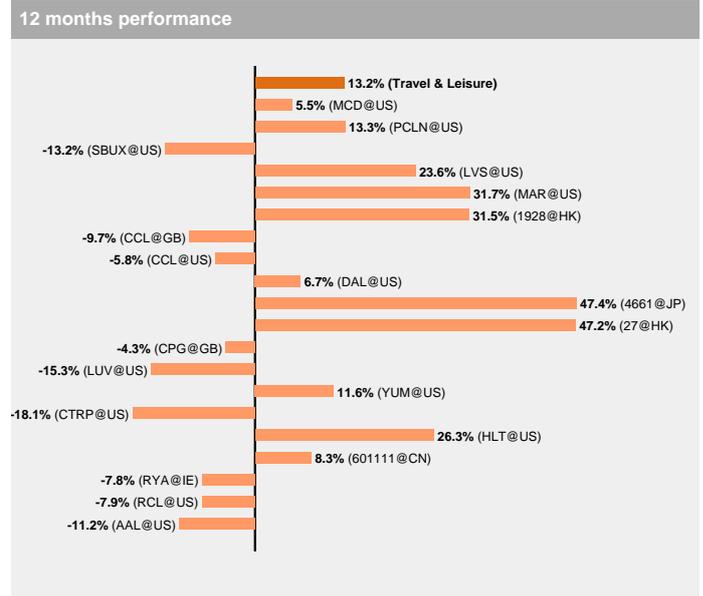
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Travel & Leisure (WO)	398.76	5.0%	228	1,867.60	★★★★		1.28	13.8	15.6%	-0.8%	41.7%

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

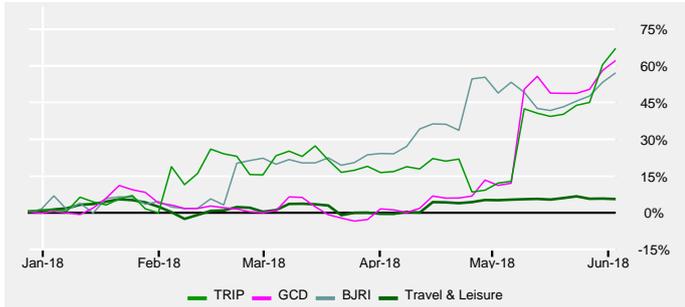


The analysis and details of the above stock can be found on page 7



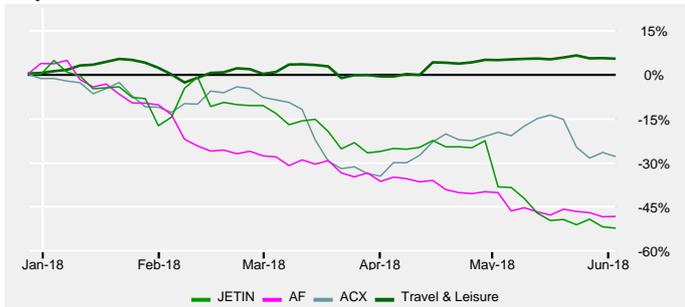
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### Top Stocks 2018



From the beginning of the year, the performance of the group was 5.0%; as for the three best stocks, (TRIPADVISOR INCO. (TRIP), GREAT CDN.GAMING CORP. (GCD) and BJ'S RESTAURANTS INCO. (BJRI)), their performance was 66.9%, 61.9% and 56.9% respectively.

### Flop Stocks 2018



JET AIRWAYS (INDIA) LTD. (JETIN), AIR FRANCE-KLM (AF) and BET-AT-HOME.COM AG (ACX) with -52.5%, -48.5% and -28.1% recorded the three worst performances From the beginning of the year. For the group Travel & Leisure, the variation was 5.0%.

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

### Top Stocks 12 months



Since 12 months ago, the performance of the group has been 13.1%; the three best stocks, (JUBILANT FOODWORKS LTD. (JUBI), SCIEN.GMS.CORP. (SGMS) and CHIN.INTL.TRVL.SER.CORP. (601888)) recorded a performances of 169.2%, 140.3% and 136.3% respectively.

### Flop Stocks 12 months

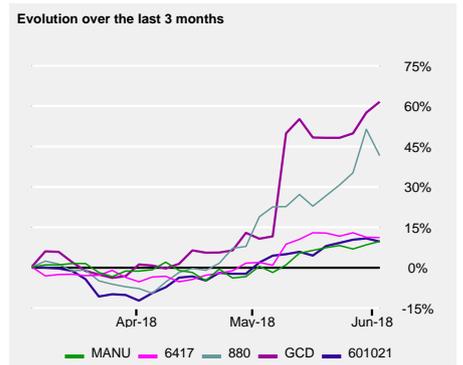


The three worst performances in 12 months were recorded by BET-AT-HOME.COM AG (ACX), CINEPLEX INCO. (CGX) and ELIOR PARTICIPATIONS SCA (ELIOR) with -47.9%, -43.0% and -40.8%. As for the group Travel & Leisure, it recorded a variation of 13.1%.

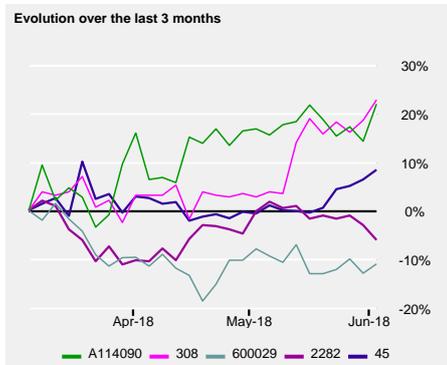


**Stocks with the best valuations**

Symbol Market	Name Sector	Price Ccy	Mkt Cap in \$bn	7wk EPS Rev	Stars	Sensitivity	Global Evaluation
MANU US	MANCHESTER UNITED PLC. Recreational Services	21.35 USD	3.51	148.9%	★★★★★		
6417 JP	SANKYO CO.LTD. Gambling	4,325.00 JPY	3.53	122.9%	★★★★★		
880 HK	SJM HOLDINGS LIMITED Gambling	10.40 HKD	7.50	108.4%	★★★★★		
GCD CA	GREAT CDN.GAMING CORP. Gambling	54.71 CAD	2.57	65.8%	★★★★★		
601021 CN	SPRING AIRLINES CTD. Airlines	37.27 CNY	5.34	57.7%	★★★★★		



The global rating (Global Evaluation) is a multi-criteria approach that identifies the stocks with the best valuations. This assessment is a compilation of fundamental (PE, growth, earnings revisions, dividend, etc.), technical (moving average, relative performance), and sensitivity (behaviour 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 low to moderate sensitivity. When the global rankings are identical, the analysts' 7 week earnings per share revision (7 wk EPS rev) acts as the deciding classification element.



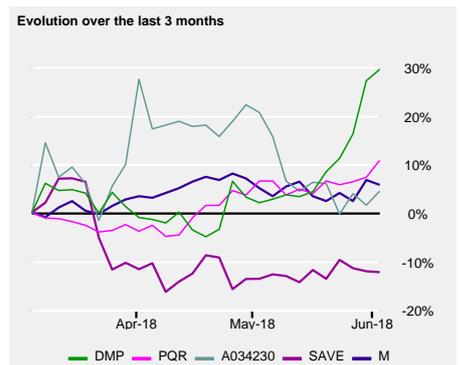
**The best defensive stocks**

Symbol Market	Name Sector	Price Ccy	Mkt Cap in \$bn	Bear Mkt Factor	Stars	Sensitivity	Global Evaluation
A114090 KR	GRAND KOREA LEIS.CO.LTD. Gambling	28,600.00 KRW	1.65	-139	★★★★★		
308 HK	CTII.INTL.INV.HK.LTD. Recreational Services	3.50 HKD	2.43	-124	★★★★★		
600029 CN	CHINA STHN.AIRL.CO.LTD. Airlines	10.26 CNY	14.48	-124	★★★★★		
2282 HK	MGM CHINA HOLDINGS LTD. Gambling	21.40 HKD	10.37	-124	★★★★★		
45 HK	THE HK.& SHAI.HTLS.LTD. Hotels	13.00 HKD	2.63	-121	★★★★★		

The sensitivity assessment is based on essentially two criteria: the stock's "behaviour 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 sensitivity levels can be attributed (low, moderate, high). Combining these elements makes it possible to create a final ranking of stocks in the market. To present the most useful 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 low to moderate sensitivity. In case of a tie, the stock's "behaviour 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	Sensitivity	Global Evaluation
DMP AU	DOMINO'S PZA.ENTS.LTD. Restaurants & Bars	53.38 AUD	3.46	0.00	★★★★★		
PQR ES	PARQUES REUNIDOS Recreational Services	14.56 EUR	1.37	0.10	★★★★★		
A034230 KR	PARADISE CO.LTD. Gambling	19,950.00 KRW	1.69	0.11	★★★★★		
SAVE US	SPIRIT AIRLINES INCO. Airlines	36.96 USD	2.58	0.12	★★★★★		
M TH	MK RESTAURANT GROUP PCL. Restaurants & Bars	79.25 THB	2.28	0.13	★★★★★		

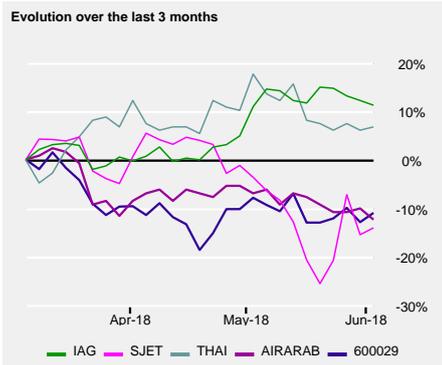


The correlation coefficient allows to identify the stocks whose dependence on the market is the weakest. If this value is very low, less than 0.5, it means that less than 50% of the stock movements are explained by market movements. On the contrary, a number close to 1 indicates that the value is very close to the market developments. In order to present the best selection, only companies 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 low to moderate sensitivity and a minimum correlation of 0.66. In case of a tie in the ranking, the stock's "behaviour in declining markets" (Bear Market Factor) acts as the deciding classification element.



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## Stock with the weakest PE

Symbol Market	Name Sector	Price Ccy	Mkt Cap in \$bn	LT P/E	Stars	Sensitivity	Global Evaluation
IAG GB	INTL.CON.S.AIRL.GROUP SA Airlines	679.80 GBP	18.50	5.9	★★★★	Neutral	Low
SJET IN	SPICEJET LTD. Airlines	112.55 INR	1.00	6.6	★★★★	Neutral	Low
THAI TH	THAI AIRWAYS INTL.PCL. Airlines	15.70 THB	1.07	6.7	★★★★	Neutral	Low
AIRARAB AE	AIR ARABIA PJSC Airlines	1.13 AED	1.44	7.1	★★★★	Neutral	Low
600029 CN	CHINA STHN.AIRL.CO.LTD. Airlines	10.26 CNY	14.48	7.3	★★★★	Neutral	Low

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 and a low to moderate sensitivity. 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	Sensitivity	Global Evaluation
MCD US	MCDONALDS CORP. Restaurants & Bars	159.48 USD	-7.3%	125.22	0.93	17.8	13.9%	-6.6%	2.7%	13.5%	★★★★	Neutral	Low
PCLN US	BOOKING HOLDINGS INCO. Recreational Services	2,140.99 USD	23.2%	103.14	0.91	18.3	16.7%	-4.8%	0.0%	21.1%	★★★★	Neutral	Low
SBUX US	STARBUCKS CORP. Restaurants & Bars	55.68 USD	-3.0%	76.84	0.93	20.4	16.7%	-6.7%	2.3%	12.5%	★★★★	Neutral	Low
LVS US	LAS VEGAS SANDS CORP. Gambling	78.70 USD	13.3%	62.11	0.98	18.8	14.3%	-0.2%	4.0%	13.0%	★★★★	Neutral	Low
MAR US	MARRIOTT INTL.INCO. Hotels	138.22 USD	1.8%	48.84	1.05	18.6	18.4%	-1.5%	1.2%	14.9%	★★★★	Neutral	Low
1928 HK	SANDS CHINA LTD. Gambling	45.25 HKD	12.1%	46.59	1.31	16.9	17.3%	-4.2%	4.8%	29.1%	★★★★	Neutral	Low
CCL US	CARNIVAL CORP. Recreational Services	60.59 USD	-8.7%	43.34	1.53	10.5	12.7%	-7.9%	3.3%	21.3%	★★★★	Neutral	Low
CCL GB	CARNIVAL PLC. Recreational Services	4,561.00 GBP	-6.8%	43.34	1.61	10.2	13.1%	-4.0%	3.2%	21.7%	★★★★	Neutral	Low
DAL US	DELTA AIR LINES INCO. Airlines	54.67 USD	-2.4%	38.35	1.84	7.4	11.1%	1.2%	2.5%	21.0%	★★★★	Neutral	Low
4661 JP	ORIENTAL LAND CO.LTD. Recreational Services	11,155.00 JPY	8.6%	36.94	0.69	29.8	20.2%	1.3%	0.4%	6.5%	★★★★	Neutral	Low
27 HK	GALAXY ENTM.GP.LTD. Gambling	65.15 HKD	3.9%	35.86	1.19	15.2	16.6%	-9.1%	1.5%	25.1%	★★★★	Neutral	Low
CPG GB	COMPASS GROUP PLC. Restaurants & Bars	1,609.00 GBP	0.6%	34.00	0.83	18.1	12.6%	3.2%	2.4%	25.9%	★★★★	Neutral	Low
LUV US	SOUTHWEST AIRLINES CO. Airlines	50.90 USD	-22.2%	29.51	1.40	10.1	13.2%	-6.8%	1.0%	21.8%	★★★★	Neutral	Low
YUM US	YUM! BRANDS INCO. Restaurants & Bars	82.91 USD	1.6%	26.80	0.95	21.3	18.5%	-2.6%	1.8%	11.4%	★★★★	Neutral	Low
CTRP US	CTRIP.COM INTL.LTD. Recreational Services	46.59 USD	5.6%	25.40	1.24	21.4	26.5%	9.9%	0.0%	28.6%	★★★★	Neutral	Low
HLT US	HILTON WWLD.HDG.INCO. Hotels	83.07 USD	4.0%	24.96	1.03	22.4	22.3%	-0.9%	0.8%	16.2%	★★★★	Neutral	Low
601111 CN	AIR CHINA LTD. Airlines	11.24 CNY	-8.8%	23.10	1.76	8.9	14.5%	-7.8%	1.3%	34.4%	★★★★	Neutral	Low
RYA IE	RYANAIR HOLDINGS PLC. Airlines	16.66 EUR	10.7%	22.54	0.92	12.0	9.1%	4.9%	1.9%	33.1%	★★★★	Neutral	Low
RCL US	ROYAL CRBN.CRUISES LTD. Recreational Services	102.15 USD	-14.4%	21.63	1.49	9.2	11.2%	-8.1%	2.5%	25.2%	★★★★	Neutral	Low
AAL US	AMERICAN AIRL.INCO. Airlines	44.18 USD	-15.1%	20.68	1.74	6.7	10.7%	-0.1%	0.9%	22.7%	★★★★	Neutral	Low

**Number of Stocks**

This is 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.

**Sensitivity**

Stock price developments are generally volatile and contain high risks that can result in a total loss. Based on a their historical behaviour, stocks are classified by sensitivity level. These sensitivity levels have to be considered solely in relative historical comparison to other stocks. Please note that even "Low Sensitivity" stocks are equities and therefore high risk investments that can lose up to all of their value, and that past performance is no indication of current or future performance.

"Sensitivity" is determined by measuring the "Bear Market Factor" and the "Bad News Factor" against its benchmark.

There are three grades of sensitivity levels:

- Low Sensitivity: The sensitivity indicators fall below the world reference average.
- Moderate Sensitivity: The sensitivity indicators are situated higher than the world reference average, but lower than standard deviation.
- High Sensitivity: The sensitivity indicators are at levels higher than standard deviation.

**Volatility 12 M**

Volatility measures the magnitude of upwards and downwards movements of a stock or index. The volatility 12 M shows the average volatility over the last 12 months.

**% 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 sensitivity. Where a Beta is greater than 100, the stock is more volatile than its reference index.

**Correlation**

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

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Earnings forecasts provided by THOMSON REUTERS.