

War and Stocks

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Analysis by Pablo Fortich and Austin Rothe

Findings

What is the best stock to invest in right now, specifically in the Military Industrial Complex?

The best company to invest in currently is TransDigm Group Inc (TDG) due to it having the highest profit margin compared to other tickers. The profit margin is 19.711%.

What contributes to a stock performing well or poorly?

Factors contributing to a stock's performance include what is currently selling at the moment. The U.S. spent the most money during the Afghanistan and Iraq wars due to technological advancements in the 21st century. A reliance on technology increased spending, thereby boosting the stocks of defense companies that focused on technology, such as LMT.

Is it an overall good idea to invest in the Military Industrial Complex at this time?

Yes, investing in defense stocks is crucial, especially given the increased need for technology and the significant rise in the demand for AI. It is imperative to purchase stocks now rather than later before prices rise, particularly due to the increased chances of war.

Data Set we used to come to our findings

Market Data | Yahoo Finance API

- Stock quotes and prices.
- Historical stock data.
- Market summaries and statistics.
- Index data.

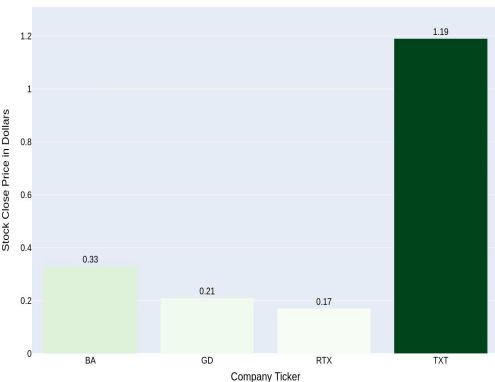
Company Information:

- Company profiles.
- Financial statements.
- Key financial ratios.
- Company news and headlines.

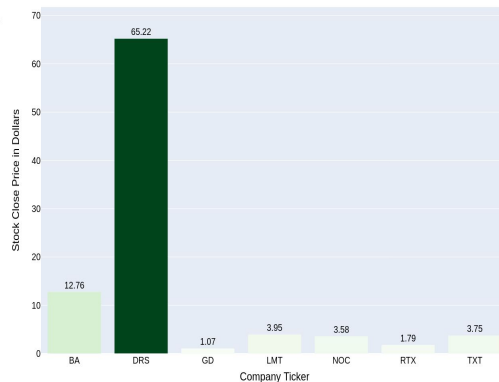


How Companies Did by War

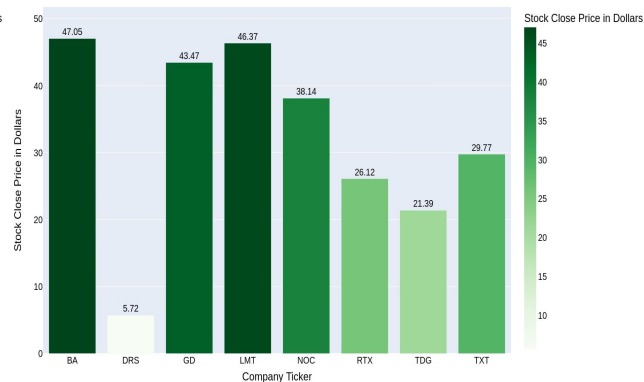
Average Stock Close Price by Company for Vietnam War (1955-01-01 to 1975-04-30)



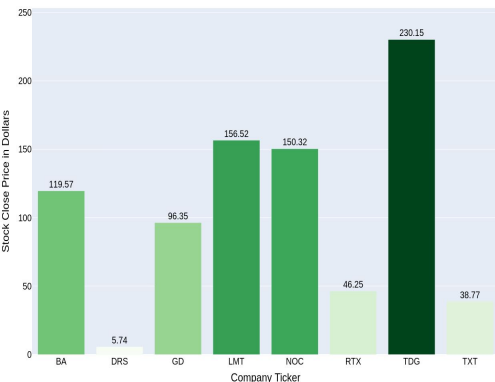
Average Stock Close Price by Company for Gulf War (1990-08-02 to 1991-02-28)



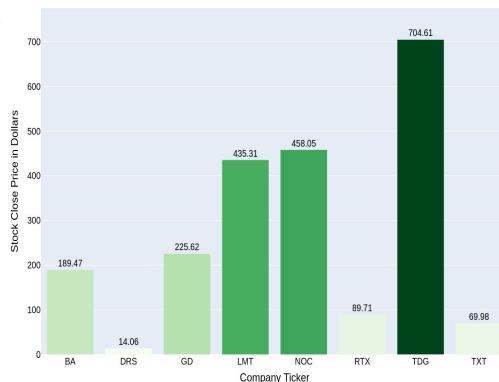
Average Stock Close Price by Company for Iraq War (2003-03-20 to 2011-12-18)



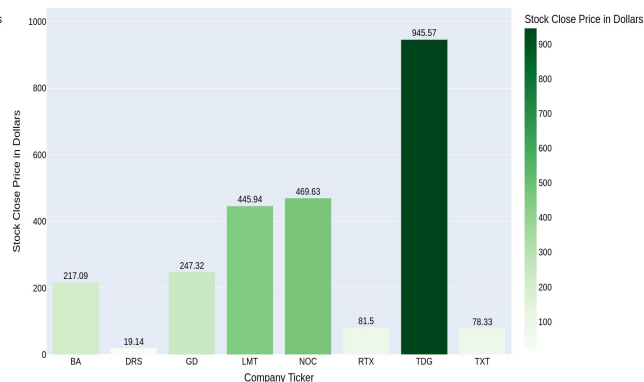
Average Stock Close Price by Company for War in Afghanistan (2001-10-07 to 2024-01-31)



Average Stock Close Price by Company for War in Ukraine (2022-02-01 to 2024-01-31)

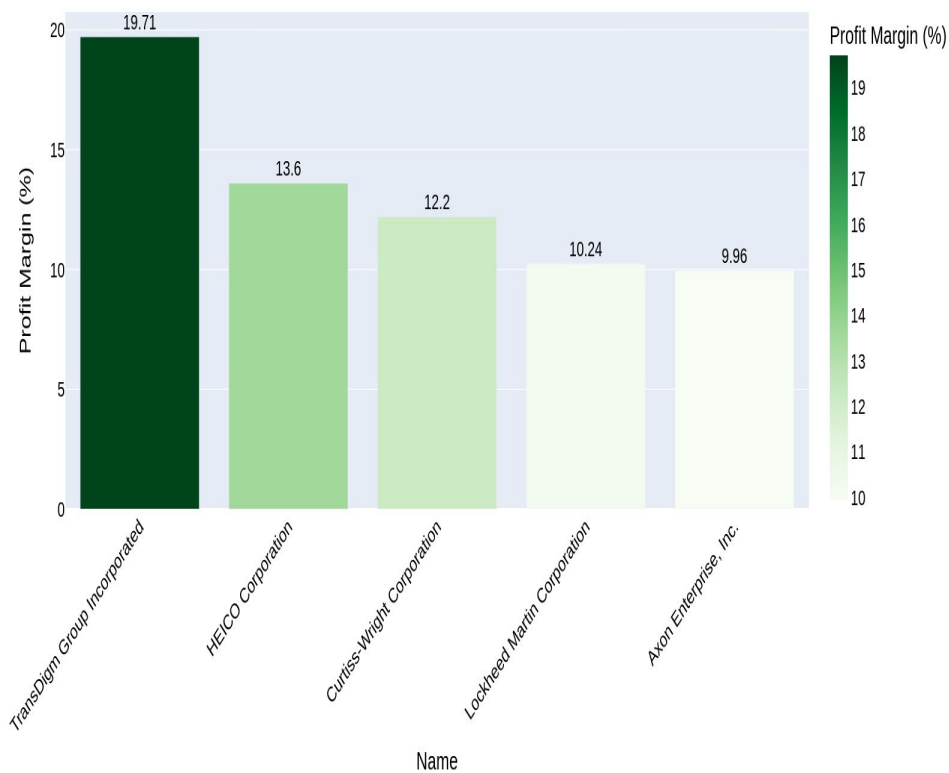


Average Stock Close Price by Company for Israel War (2023-10-07 to 2024-01-31)

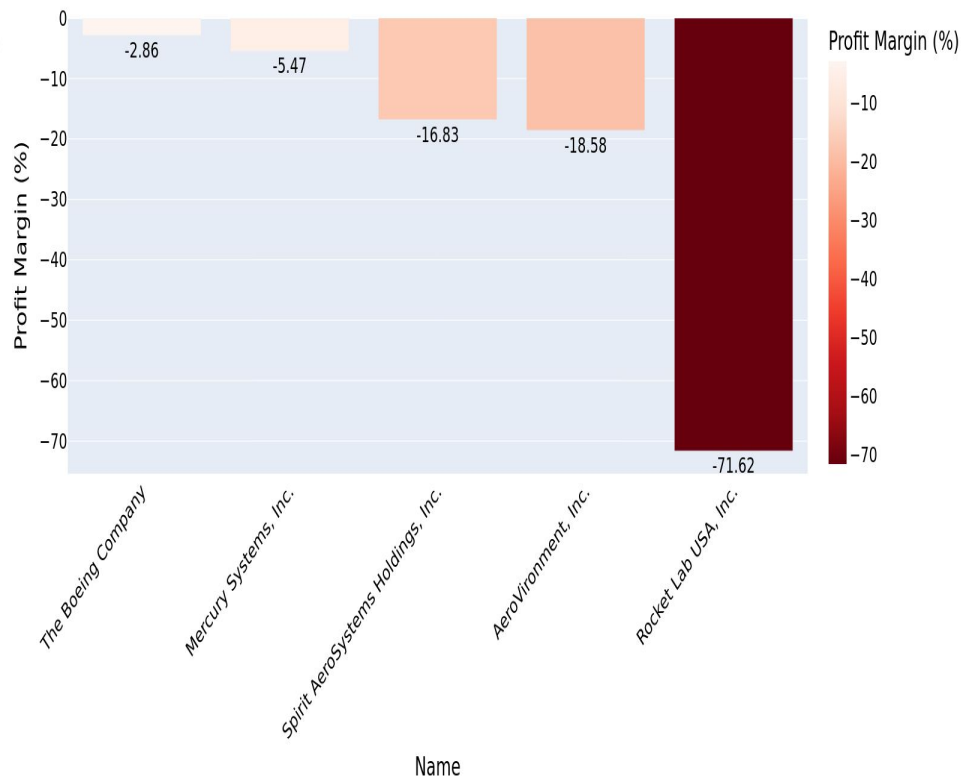


Top and Bottom Companies by Profit Margin

Top 5 Companies based on Profit Margin



Bottom 5 Companies based on Profit Margin



Are Profit Margin and Closing Stock Price Correlated?

Profit Margin vs Stock Close Price Pearson R Value: 0.2



What is the best stock to invest in right now specifically in the Military Industrial Complex?

- The best company to invest in currently is TDG (TransDigm Group Inc) due to it having the highest profit margin compared to other tickers. The profit margin is 19.711%.

TDG	TransDigm Group...	19.711
HEI	HEICO Corporation	13.598
CW	Curtiss-Wright C...	12.198
LMT	Lockheed Martin ...	10.241
AXON	Axon Enterprise, L...	9.9589996
WWD	Woodward, Inc.	9.498
BWXT	BWX Technologie...	9.308
GD	General Dynamic...	7.842
CAE	CAE Inc.	6.792
TXT	Textron Inc.	6.731
LHX	L3Harris Technol...	6.319
HXL	Hexcel Corporation	5.908
DRS	Leonardo DRS, Inc.	5.846
NOC	Northrop Grumm...	5.233
HII	Huntington Ingall...	4.78
RTX	RTX Corp	4.636
ESLT	Elbit Systems Ltd.	4.618
AIR	AAR Corp.	3.144
ERJ	Embraer S.A.	-0.15199999
KTOS	Kratos Defense &...	-1.936
BA	The Boeing Com...	-2.856
MRCY	Mercury Systems...	-5.468
SPR	Spirit AeroSyste...	-16.826001
AVAV	AeroVironment, In...	-18.576
RKL	Rocket Lab USA, ...	-71.620005



TRANSDIGM

GROUP INC.

TransDigm Group Inc

American company that designs, produces, and supplies highly engineered aerospace components for use on nearly all commercial and military aircraft



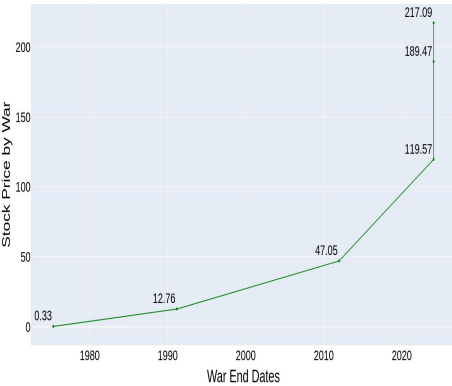
What contributes to a stock performing well or poorly?

What contributes to a defense stock doing well in our point of view is what is currently selling at the moment. The U.S spent the most money during the Afghanistan and Iraq war due to the technology advancements of the 21st century. A reliance on technology increased spending therefore boosting the stocks of defense companies that focused on technology such as LMT and TDG

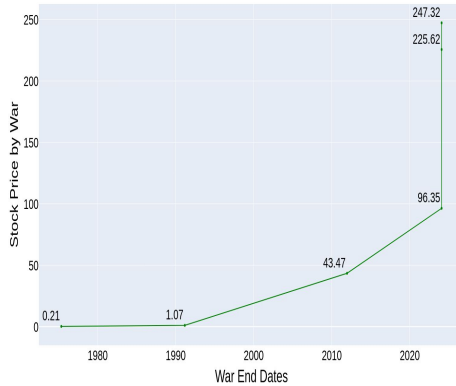


Stock Performance Over Time

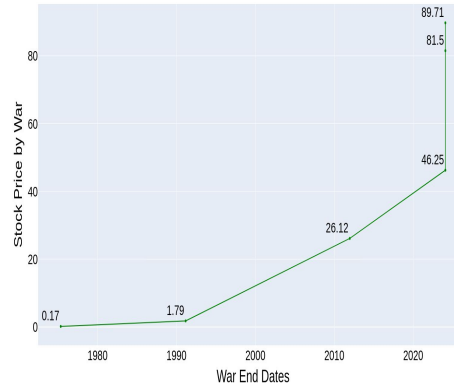
Stock Close Price by War End Dates for BA: Return Ratio: 4.61



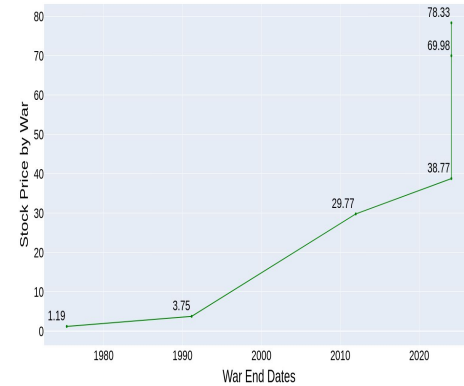
Stock Close Price by War End Dates for GD: Return Ratio: 5.69



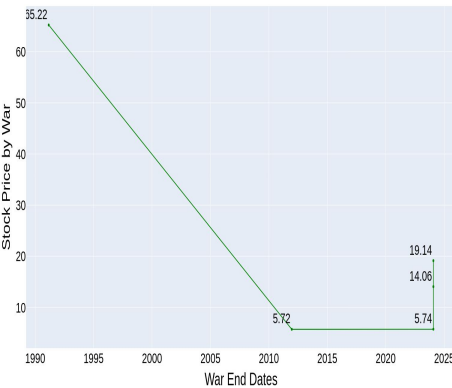
Stock Close Price by War End Dates for RTX: Return Ratio: 3.12



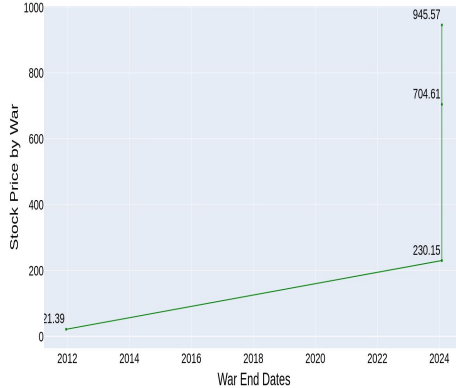
Stock Close Price by War End Dates for TXT: Return Ratio: 2.63



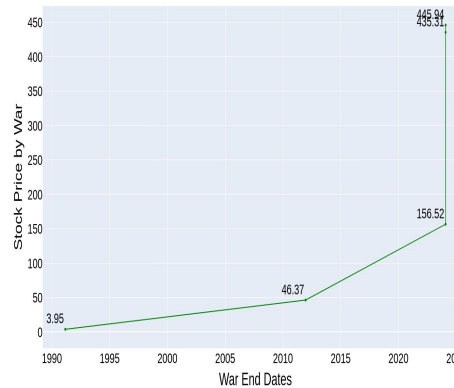
Stock Close Price by War End Dates for DRS: Return Ratio: 3.34



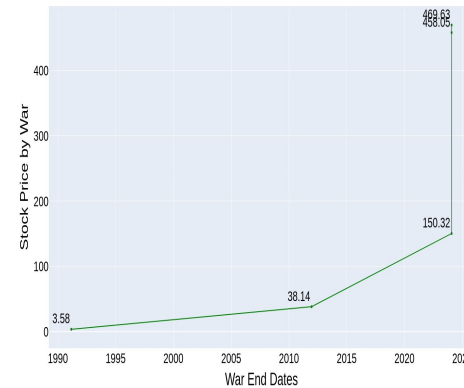
Stock Close Price by War End Dates for TDG: Return Ratio: 44.21



Stock Close Price by War End Dates for LMT: Return Ratio: 9.62

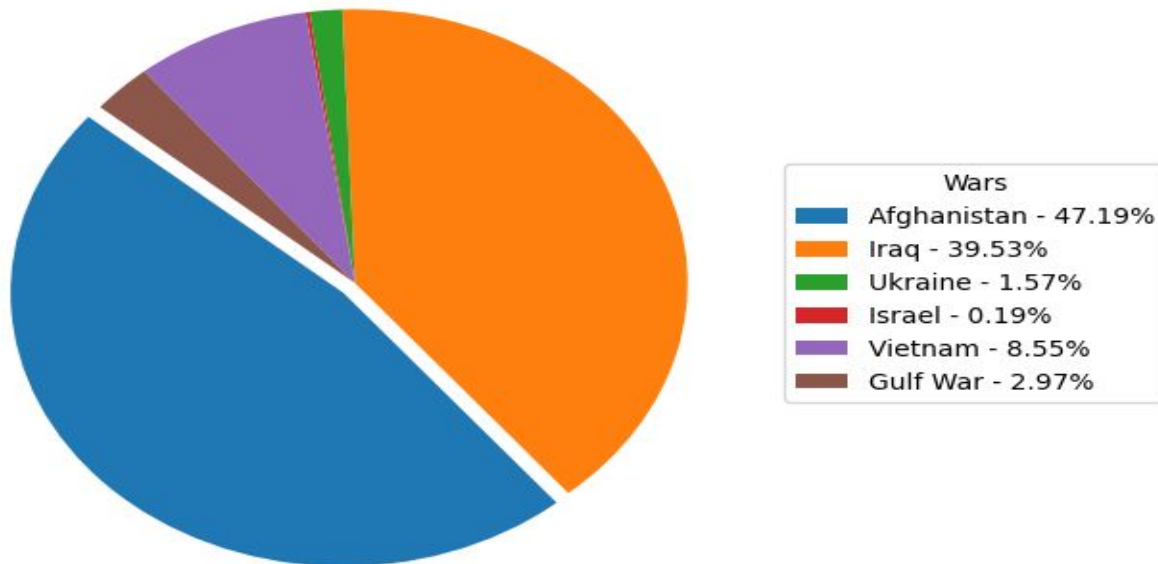


Stock Close Price by War End Dates for NOC: Return Ratio: 12.31



U.S. SPENDING IN WARS

U.S. War Costs by War (Adjusted for 1.89% Inflation Rate per Year from Respective Start Dates to 2024)
Total Adjusted Spending: 7.5 Trillion USD



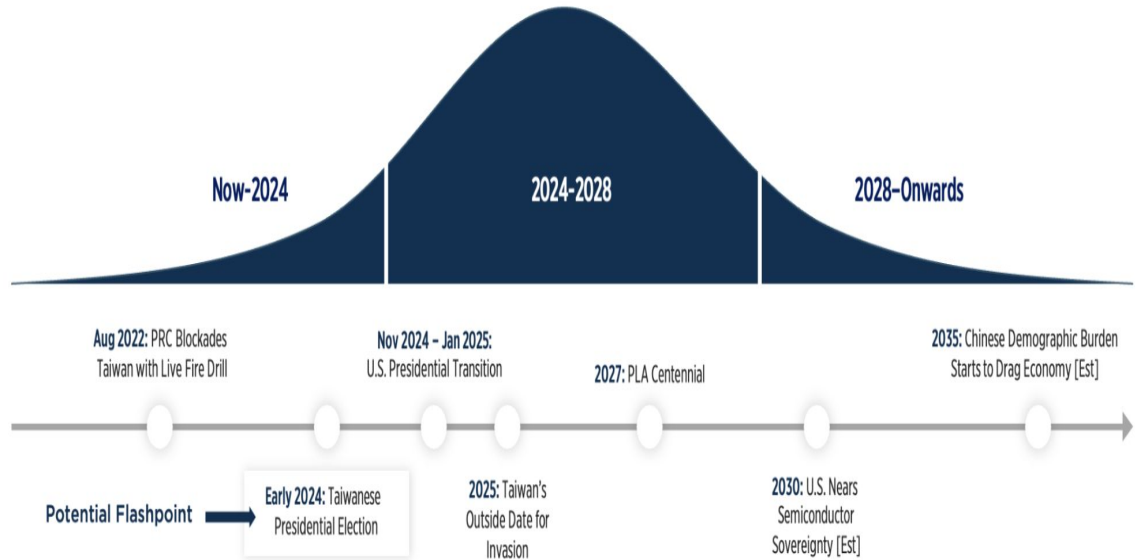
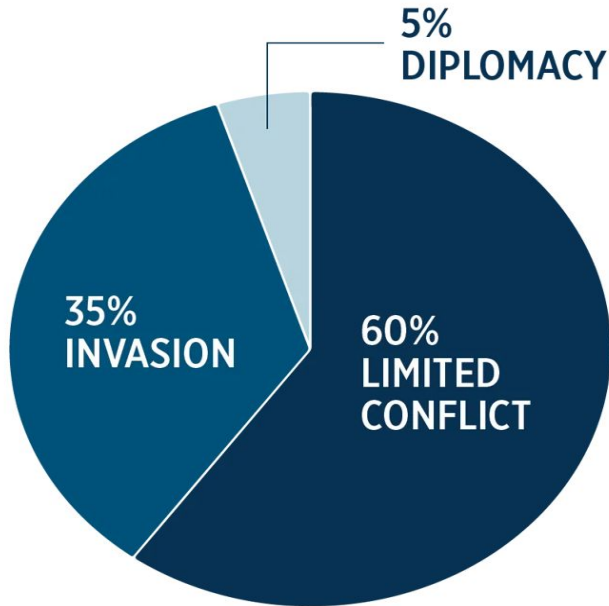
Is it overall a good Idea to invest in defense stock at this time?

Yes investing in defense stocks is crucial. Considering the increase in the need for tech and the massive increase in the need for AI it is imperative to purchase stock now then later before prices rise due to a high chance of war.



China vs Taiwan/U.S

TIMING AND PROBABILITY OF CONFLICT: A CLOSING WINDOW



Israel/U.S vs Hamas/Iran proxy



A photo of the dhow carrying Iranian-made missile components bound for Yemen, seen by the Central Command on January 10, 2024. [USCENTCOM](#)



Christopher J. Chambers
Navy Special Warfare Operator
1st Class



Nathan Gage Ingram
Navy Special Warfare Operator
2nd Class

Israel/U.S vs Hamas/Iran Proxy

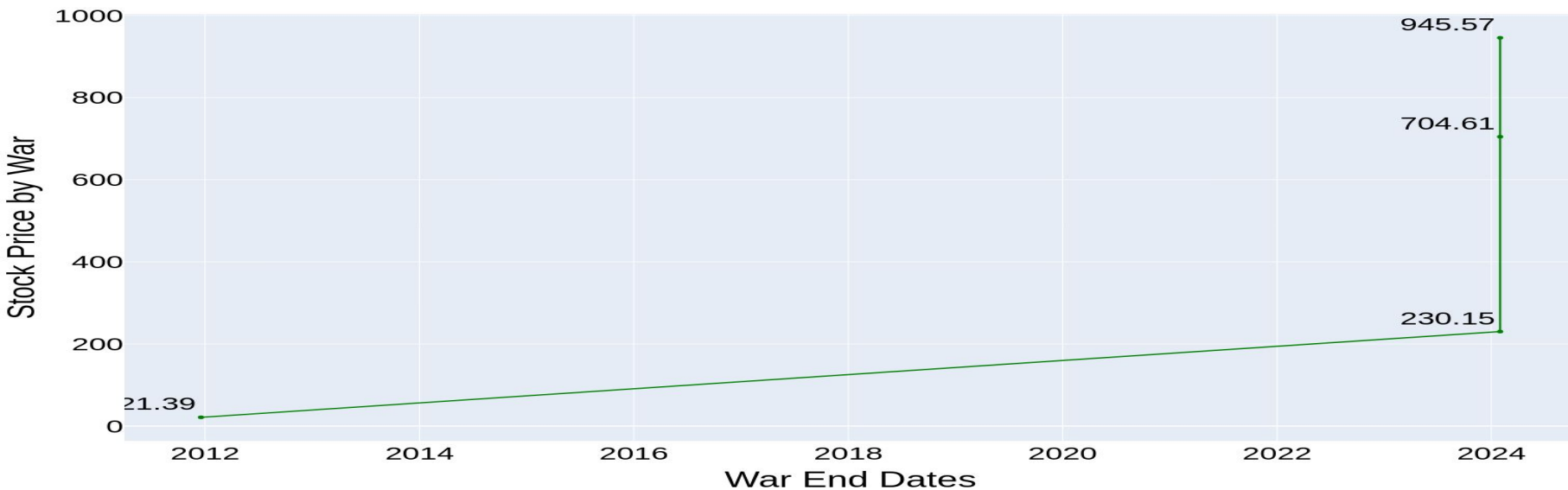
Three US service members killed, dozens injured in drone attack



INVEST IN TDG NOW

These charts have some overlap between start and end dates. We first sorted by end date then start date. The vertical line represents the fact that 3 wars are being fought still and the progression of the stock based on war start date.

Stock Close Price by War End Dates for TDG: Return Ratio: 44.21



Work Cited

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