**Sector Trends**

* Format: word document
* Explain what happens with trends
* Be sure to put numbers to back claims
  + Find Forecasts of, compare correlation to sector performance

|  |  |
| --- | --- |
| **Metric** | **Comparison to Sector** |
| Real GDP | Positive |
| ***Consumer Sentiment (confidence)*** | Positive |
| Labor Force Participation Rate | Positive |
| Unemployment Rate | Negative |

* Sources
  + Survey of professional forEcasts

**Earnings Forecast**

* Identify 5 stocks using PE and Book to market. Need to include current holdings.
* Format: xlsx
* Use 5 years of IS data
* Then show forecast for 2020, 2021, 2022
* Need to convince people that forecast for these earnings make since
  + Use trends in data to forecast
  + Explain assumptions, especially if something is odd looking
  + Fine to use regression coefficient to calculate – need to show equation
* Could Forecast Revenue by have everything else be a function of revenue
* Could also deviate but need to
* Advice
  + When the economy is doing badly, people buy less of luxury goods
  + How has covid affected this relationship?
  + What products are buying vs not buying. Pent up demand could occur.
* Need to perform sensativity analysis

**Notes for Presentation**

1. Show Forward PE ratio and other important driver (margin)
2. Show IS on slide
3. Walk through and explain outliers in excel file
4. Explain strategy of company (conceptually/nature of business)