

COMPANIES WITH MORE THAN \$1B IN CASH HAVE A
SIGNIFICANT DIFFERENCE IN RETURNS BY THE END
OF THE YEAR THAN THOSE WHICH DON'T

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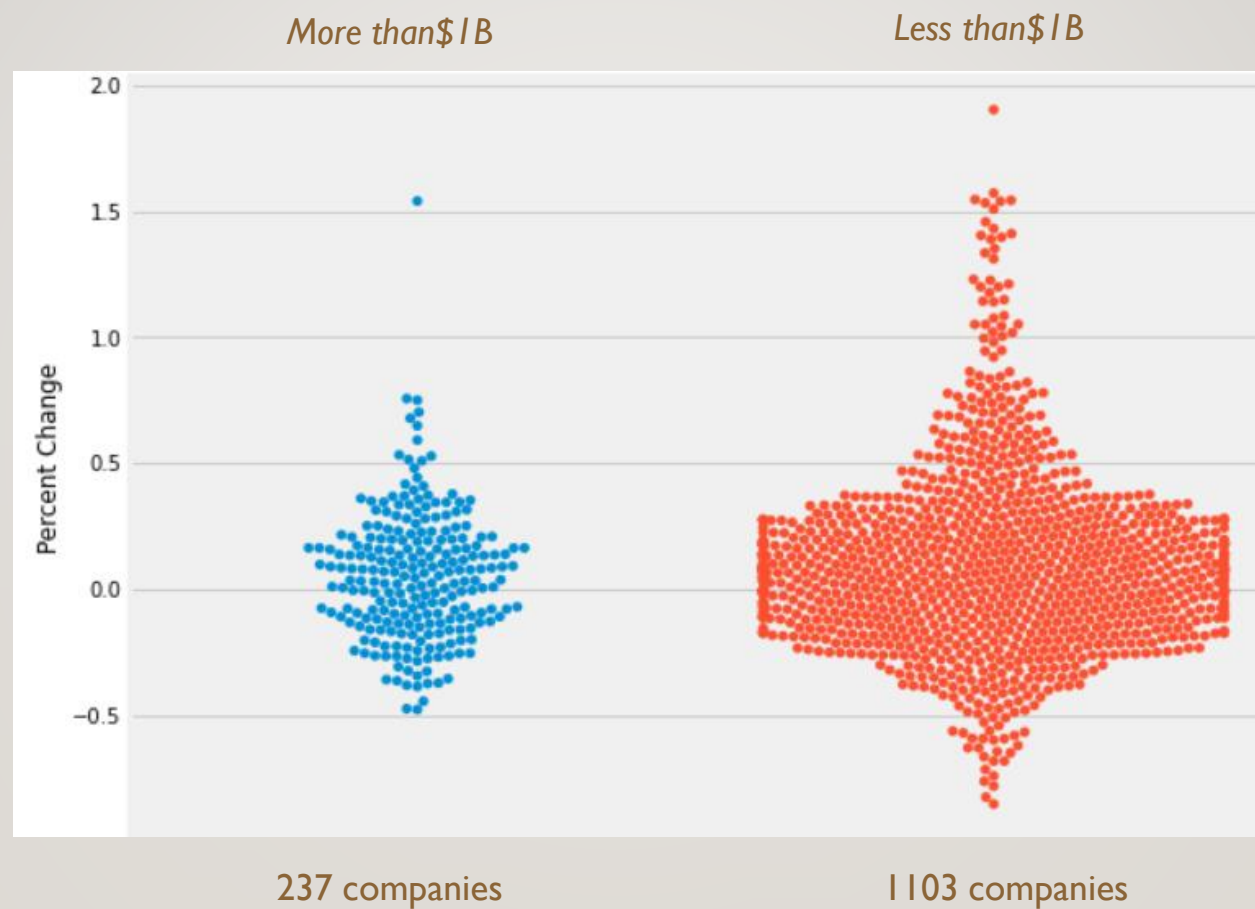
AGENDA

- Introduce the data.
- Is there a significant difference?
- By how much?
- What's the use of the hypothesis?
- Conclusion.

DATA ANALYZED

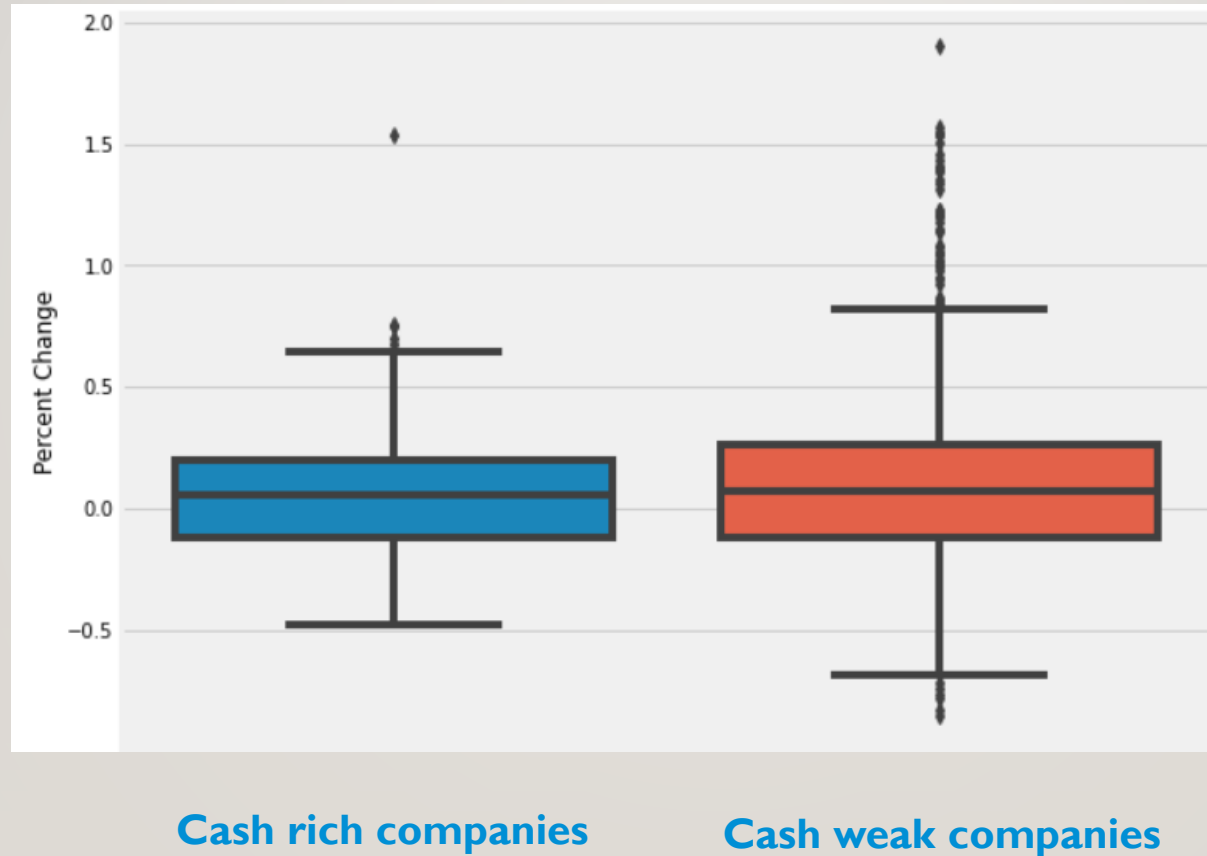
- 1340 companies from the end of the Q1 2018 to the end of Q1 2019
- Data includes ticker name, price, cash/assets, calendar date.
- Raw data can be found here: [Quandl.com](https://www.quandl.com)

Is there a significant difference?

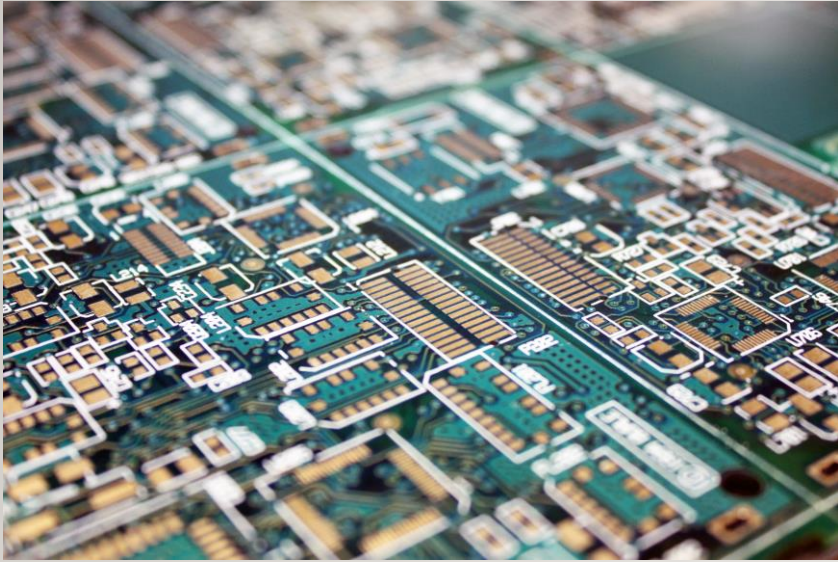


By how much?

There was a significant difference in returns between the 2 groups, this difference is showing that 'cash weak' performed 1% - 8% better than 'cash rich' as shown by a 95% confidence interval.



WHAT'S THE USE OF THIS INFORMATION?



‘Cash rich’ AMD made > 150%

Great valuable, stable stock for long term hold



‘Cash weak’ GLUU made > 190%

This is a low risk / high reward stock

Both are tech companies

My suggestion is to buy AMD at \$60s and hold, cut loss at \$48



BUY GLUU AT ~ 4\$, CUT LOSS AT 3.80, SELL HALF AT \$7 AND HALF AT \$10



Conclusion

- **The null hypothesis was rejected:** companies with more than \$1B in cash have a significant difference in returns by the end of the year than those which don't.
- **The alternative hypothesis was accepted:** companies with less than \$1B in cash have a significant difference in returns by the end of the year than those which do.

QUESTIONS?

THANK YOU!