

Date of analysis: 6/27/2021

AAPL Technical Analysis



We would like to recommend Apple Inc. (AAPL) at June 04, 2021.

Obviously, we knew that Apple is a Cash-Generating Machine. From a “technical analysis” point of view, we collected the following indicators through the stock movement:



1. Moving Average Convergence Divergence (MACD)

Blueline represents the 9-days EMA of the MACD line which is called the signal line, and the orange line represents the MACD line, which implies 12-days EMA minus 26-days EMA. MACD measures the relationship between two EMAs (Exponential Moving Averages). Negative MACD indicates that the 12-day EMA is below the 26-day EMA. Negative values (i.e. below the zero line) increase as the shorter EMA converges to the longer EMA. In my case, MACD crossing above the signal line is considered accelerating bullish. A bullish crossover occurs when the

MACD turns up and crosses above the signal line (see finger image in the graph for the period of crossover). A high (positive) MACD Histogram also shows uptrend may remain for a long time.



2. Bollinger Band (BB)

From the definition, Bollinger Bands are envelope bands plotted at a standard deviation level above and below a simple moving average of the price. If bands tighten during low volatility, the chance of a sharp price move in either direction increase. In our case, the bands tighten on June 04, we knew that the sharp movement is coming. And combine with MACD, it proves that there is a good point to enter the market.



3. RSI

RSI is used to measure the speed and the change of directional price movements. RSI is around 44 on June 4th. Traditionally, when above 70 the RSI is considered overbought, when below 30 is oversold. Even on June 04, RSI is not under 30 but combined with other indicators, there is still a very good point to buy. Because the RSI kept increasing, it reached over 78 on June 15th. During the periods indicating strong trend, and Apple stock's price has a higher opportunity to continuing rise for a long time. Especially, RSI went above 70, indicated that "overbought" conditions are shown in the market. Therefore, on June 15th could sell.

ETSY Fundamental Analysis

In terms of fundamental analysis, we pick ETSY as our recommendation. We first eliminate all the stocks with missing data to avoid inaccurate decision making, then it left with below 11 highlighted stocks as consideration of our picks.

	A	B	C	D	E	F	G	H	I	J	K	L
1	Symbol	Sector	EPS Next 5	Market Cap	Total Assets	Total Debts	Free Cash Flow	Beta	P/E Ratio	Current Price	FV	Diff
2	AAPL	Technology	17.93%	2,221,300,000,000	323,890,000,000	113,900,000,000	73,365,000,000	1.21	29.92	133.11	126.86	6.25
3	ADBE	Technology	17.50%	277,080,000,000	24,284,000,000	5,500,000,000	5,308,000,000	0.95	50.24	579.66	368.39	211.27
4	BA	Industrials	12.33%	145,260,000,000	152,140,000,000	75,087,000,000	-19,710,000,000	1.63		248.38	-718.11	966.49
5	BYND	Consumer Defensive	-6.90%	9,334,028,288	468,006,000		-115,461,000	1.61		148.01		148.01
6	CAT	Industrials	19.06%	118,490,000,000	78,324,000,000	25,674,000,000	4,212,000,000	0.92	34.59	216.31		216.31
7	DIS	Communication Servi	51.70%	324,050,000,000	201,550,000,000	62,337,000,000	3,596,000,000	1.20		178.35		178.35
8	DOCU	Technology	56.00%	54,398,000,000	2,336,507,000	972,773,000	214,559,000	0.82		279.20	265.04	14.16
9	ENPH	Technology	41.67%	23,800,000,000	1,200,102,000	401,907,000	195,776,000	1.15	260.61	175.39		175.39
10	ETSY	Consumer Cyclical	52.80%	23,489,000,000	2,404,489,000	1,198,042,000	676,631,000	1.55	52.49	184.80	830.64	-645.84
11	FB	Communication Servi	23.70%	967,940,000,000	159,320,000,000		23,632,000,000	1.30	29.25	341.37		341.37
12	GS	Financial Services	16.80%	125,290,000,000	1,163,000,000,000	514,600,000,000	-20,040,000,000	1.49	9.16	368.77	-1,862.26	2,231.03
13	HD	Consumer Cyclical	10.57%	333,470,000,000	70,581,000,000	41,563,000,000	16,376,000,000	1.05	22.86	313.63		313.63
14	JPM	Financial Services	1.28%	466,330,000,000	3,386,100,000,000	783,300,000,000		1.19	12.22	154.05		154.05
15	LMT	Industrials	5.11%	106,170,000,000	50,710,000,000	15,606,000,000	6,417,000,000	0.98	15.41	382.01		382.01
16	MCD	Consumer Cyclical	20.43%	173,430,000,000	52,627,000,000	39,813,000,000	4,624,400,000	0.63	33.73	232.42		232.42
17	MSFT	Technology	16.73%	1,996,000,000,000	301,310,000,000	73,357,000,000	45,234,000,000	0.79	36.12	265.02	219.55	45.47
18	NKE	Consumer Cyclical	40.60%	243,870,000,000	37,740,000,000	15,945,000,000		0.85	43.36	154.35	97.25	57.10
19	NVAX	Healthcare	0.00%	14,062,000,000	1,582,479,000	574,147,000	-97,163,000	1.55		189.79	-11.39	201.18
20	NVDA	Technology	26.84%	474,250,000,000	28,791,000,000	7,481,000,000	4,694,000,000	1.37	89.98	761.24	342.67	418.57
21	PYPL	Financial Services	23.52%	340,200,000,000	70,379,000,000	11,068,000,000	4,988,000,000	1.16	66.00	289.60	177.59	112.01
22	QCOM	Technology	27.29%	155,270,000,000	35,594,000,000	18,648,000,000	4,407,000,000	1.34	19.71	137.65	171.86	-34.21
23	SPOT	Communication Servi	nan%	50,873,000,000	6,326,000,000		181,000,000	1.52		266.38		266.38
24	SPY	nan	nan%	391,530,000,000						426.61		426.61
25	SQ	Technology	56.41%	109,260,000,000	9,869,550,000	3,230,475,000	243,201,000	2.42	335.58	239.94	94.47	145.47
26	TGT	Consumer Defensive	11.45%	119,010,000,000	51,248,000,000	14,153,000,000	7,876,000,000	1.00	19.64	240.55		240.55
27	TQQQ	nan	nan%							117.51		117.51
28	UNP	Industrials	13.23%	146,990,000,000	62,398,000,000	27,654,000,000	5,613,000,000	1.14	28.64	221.27	161.35	59.92
29	V	Financial Services	18.84%	519,810,000,000	80,919,000,000	26,494,000,000	9,704,000,000	1.00	49.05	237.32	154.13	83.19
30	XOM	Energy	10.14%	273,740,000,000	332,750,000,000	70,540,000,000	-2,614,000,000	1.41		64.66		64.66
31	ZIM	Communication Servi	15.38%	109,750,000,000	5,297,993,000		1,391,205,000	-1.48	128.44	372.47		372.47

Next, we compare all stocks' current prices against their fair values, surprisingly, we found two undervalued stocks, ETSY and QCOM. Thus, we further eliminate all overvalued stocks and closely examine the financial numbers of these two companies.

	A	B	C	D	E	F	G	H	I	J	K	L	M
	Symbol	Sector	EPS Next 5	Market Cap	Total Assets	Total Debts	Free Cash Flow	Beta	P/E Ratio	Current Price	FV	Diff	
	AAPL	Technology	17.93%	2,221,300,000,000	323,890,000,000	113,900,000,000	73,365,000,000	1.21	29.92	133.11	126.86	6.25	
	ADBE	Technology	17.50%	277,080,000,000	24,284,000,000	5,500,000,000	5,308,000,000	0.95	50.24	579.66	368.39	211.27	
	ETSY	Consumer Cyclical	52.80%	23,489,000,000	2,404,489,000	1,198,042,000	676,631,000	1.55	52.49	184.80	830.64	-645.84	
	GS	Financial Services	16.80%	125,290,000,000	1,163,000,000,000	514,600,000,000	-20,040,000,000	1.49	9.16	368.77	-1,862.26	2,231.03	
	MSFT	Technology	16.73%	1,996,000,000,000	301,310,000,000	73,357,000,000	45,234,000,000	0.79	36.12	265.02	219.55	45.47	
	NVDA	Technology	26.84%	474,250,000,000	28,791,000,000	7,481,000,000	4,694,000,000	1.37	89.98	761.24	342.67	418.57	
	PYPL	Financial Services	23.52%	340,200,000,000	70,379,000,000	11,068,000,000	4,988,000,000	1.16	66.00	289.60	177.59	112.01	
	QCOM	Technology	27.29%	155,270,000,000	35,594,000,000	18,648,000,000	4,407,000,000	1.34	19.71	137.65	171.86	-34.21	
	SQ	Technology	56.41%	109,260,000,000	9,869,550,000	3,230,475,000	243,201,000	2.42	335.58	239.94	94.47	145.47	
	UNP	Industrials	13.23%	146,990,000,000	62,398,000,000	27,654,000,000	5,613,000,000	1.14	28.64	221.27	161.35	59.92	
	V	Financial Services	18.84%	519,810,000,000	80,919,000,000	26,494,000,000	9,704,000,000	1.00	49.05	237.32	154.13	83.19	

Despite the fact that ETSY with QCOM are in different sectors and are not comparable, both companies have done such a great job of holding on to their profits. However, QCOM has a lot more competitors, like IBM, DELL, NOKIA and etc., therefore, it tends to become less profitable over time as competitors chip away at their franchises. Regardless of whether QCOM provides the best products or services within its industry, customers would not always pay more for a better product or service because having the best product or service usually means charging a

premium price, and company pursuing this strategy often limit the size of their potential market. Unlike QCOM, ETSY focused on handmade items is somewhat unique in its industry. Its significant barriers to entry discourage or prevent potential competitors from entering the market. Because of the lack of competition, ETSY tends to earn significant economic profits. In addition, according to finviz.com, even though at the first glance, ETSY's EPS next 5Y appears to be too good to be true, we think it's still reasonable for a smaller company that has more room for growth comparing to a large or mature company according to the law of diminishing.

ETSY [NASDAQ]
Etsy, Inc.
 Consumer Cyclical | Internet Retail | USA

statements

Index	S&P 500	P/E	53.52	EPS (ttm)	3.45	Insider Own	0.60%	Shs Outstand	127.10M	Perf Week	8.82%
Market Cap	23.07B	Forward P/E	49.40	EPS next Y	3.74	Insider Trans	-24.75%	Shs Float	126.24M	Perf Month	9.86%
Income	485.20M	PEG	1.01	EPS next Q	0.62	Inst Own	85.40%	Short Float	6.50%	Perf Quarter	-8.66%
Sales	2.05B	P/S	11.26	EPS this Y	255.00%	Inst Trans	-3.58%	Short Ratio	2.73	Perf Half Y	-2.82%
Book/sh	5.42	P/B	34.10	EPS next Y	21.62%	ROA	21.70%	Target Price	223.31	Perf Year	82.46%
Cash/sh	13.35	P/C	13.85	EPS next 5Y	52.80%	ROE	73.60%	52W Range	97.50 - 251.86	Perf YTD	3.87%
Dividend	-	P/FCF	28.95	EPS past 5Y	44.80%	ROI	21.20%	52W High	-26.63%	Beta	1.55
Dividend %	-	Quick Ratio	4.40	Sales past 5Y	44.50%	Gross Margin	74.40%	52W Low	89.54%	ATR	6.15
Employees	1508	Current Ratio	4.40	Sales Q/Q	141.40%	Oper. Margin	26.00%	RSI (14)	62.99	Volatility	3.48% 3.64%
Optionable	Yes	Debt/Eq	1.98	EPS Q/Q	882.10%	Profit Margin	23.50%	Rel Volume	1.01	Prev Close	184.80
Shortable	Yes	LT Debt/Eq	1.97	Earnings	May 05 AMC	Payout	0.00%	Avg Volume	3.01M	Price	184.80
Recom	1.70	SMA20	8.39%	SMA50	3.54%	SMA200	5.09%	Volume	0	Change	0.00%

QCOM [NASDAQ]
QUALCOMM Incorporated
 Technology | Semiconductors | USA

statements

Index	S&P 500	P/E	19.72	EPS (ttm)	6.98	Insider Own	0.13%	Shs Outstand	1.13B	Perf Week	3.50%
Market Cap	155.57B	Forward P/E	16.00	EPS next Y	8.60	Insider Trans	-0.33%	Shs Float	1.13B	Perf Month	3.43%
Income	8.02B	PEG	0.72	EPS next Q	1.67	Inst Own	75.10%	Short Float	1.61%	Perf Quarter	3.50%
Sales	29.41B	P/S	5.29	EPS this Y	25.80%	Inst Trans	-3.38%	Short Ratio	2.06	Perf Half Y	-6.34%
Book/sh	6.55	P/B	21.02	EPS next Y	10.78%	ROA	22.50%	Target Price	171.30	Perf Year	54.73%
Cash/sh	10.20	P/C	13.50	EPS next 5Y	27.29%	ROE	132.70%	52W Range	86.68 - 167.94	Perf YTD	-9.64%
Dividend	2.72	P/FCF	30.86	EPS past 5Y	7.10%	ROI	24.30%	52W High	-18.04%	Beta	1.34
Dividend %	1.98%	Quick Ratio	1.70	Sales past 5Y	-3.00%	Gross Margin	60.00%	52W Low	58.80%	ATR	2.43
Employees	41000	Current Ratio	2.00	Sales Q/Q	52.10%	Oper. Margin	30.10%	RSI (14)	58.51	Volatility	1.56% 1.65%
Optionable	Yes	Debt/Eq	2.12	EPS Q/Q	276.50%	Profit Margin	27.30%	Rel Volume	0.88	Prev Close	137.65
Shortable	Yes	LT Debt/Eq	2.05	Earnings	Apr 28 AMC	Payout	36.70%	Avg Volume	8.81M	Price	137.65
Recom	2.00	SMA20	2.19%	SMA50	2.62%	SMA200	0.05%	Volume	0	Change	0.00%

Overall, after comparing the financial numbers, ratios, and etc., we believe that unlike QCOM with a lot of competitors, ETSY has an economic moat within its own industry, it has the potential to grow further than QCOM does.