

Markets Unilever is active in

- Equity market
- Debt market
- Foreign exchange markets
- Commodities market
- Futures markets

Role in these markets

As an publicly listed company, Unilever has to be aware of its share price. Not only does this affect this price the value of the outstanding equity (which determines the value of the company) but also the risk of a takeover (due to a low share price).

As the company has part of its liabilities in the form of debts, borrowing rates affect the cost of capital. This is affected by the financial performance as captured in the rating provided by rating agencies.

As a global company, Unilever conducts business in many currencies. Having the right amount of currency at the right moment is therefore important to the company. The cost of these currencies is determined by the exchange rates between the various currencies.

As a producer of products, fluctuation in resource prices affect the operating profit of the organization. Sourcing resources from all over the world, buying produce of the right quality for the right price is essential for Unilever to survive.

In order to maintain stability in the delivery of goods and services and predict the prices of those products, Unilever takes part in the future markets to buy products in the future for an agreed price today.

Stock price

Closing price of UNA on 2 July 2015 was 37.73 Euro

Closing price of ULVR on 2 July 2015 was 2755 Pence sterling

Stock price differences

Stock price differences between UNA and ULVR tickers can be explained by exchange rates and an imperfect distribution of information.

The cost of exchange in currency could lead to a difference in share price value. Imperfect distribution of information may cause shares to be either over- or undervalued.

Rating of Unilever PLC

BACKED Senior Unsecured (Domestic)	A1	RATING AFFIRMATION	01 May 2013
BACKED Senior Unsecured MTN (Foreign)	(P)A1	RATING AFFIRMATION	01 May 2013
LT Issuer Rating	A1	RATING AFFIRMATION	01 May 2013
Commercial Paper	P-1	RATING AFFIRMATION	01 May 2013

Effect of the rating

- When borrowing money from institutional lenders (banks), Unilever can expect to get decent rates as their financial position is solid.
- In the outlook of whether the company will survive, Unilever is in stable waters and, given no extreme circumstances occur, can expect to keep on existing in the years to come.