

Louis Miguel Bernal

Google Stock Analysis



What is Google?

Google, founded in 1998 by Larry Page and Sergey Brin, has evolved from a search engine into a tech powerhouse offering diverse services. Its flagship, Google Search, provides access to vast internet information.

Google began trading its stock publicly in August 2004. Their initial public offering (IPO) priced shares at \$85 each and raised over \$1.9 billion



Stock Analysis

Components for Strong Analysis

Daily Return Calculation

Measures the change of stock price over a day

Moving Average

Offer a directional perspective by smoothing out short-term volatility to a timeframe

Bollinger Bands

Consist of three lines: a middle band reflecting the stock's average price

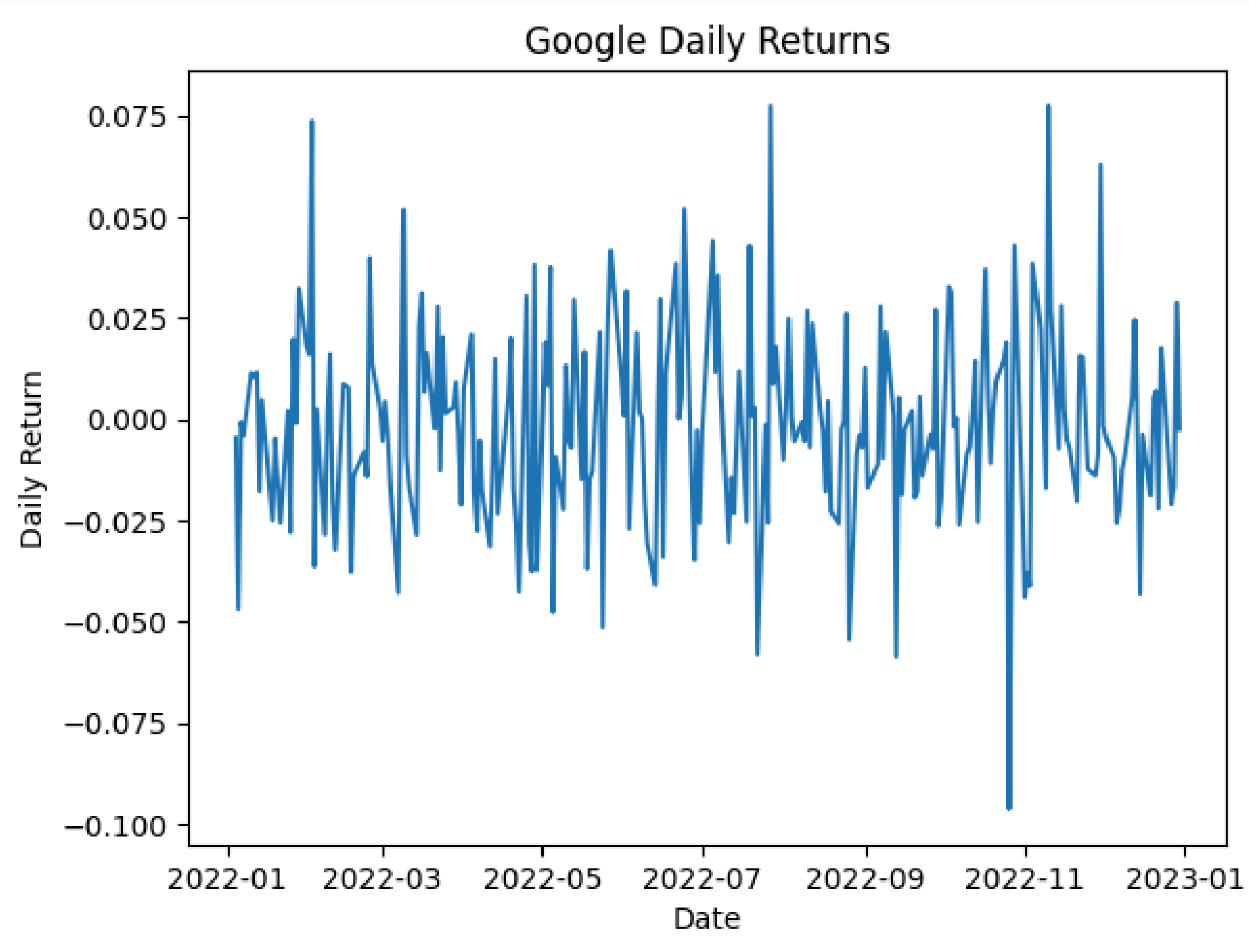
Relative Strength Index

Gauges the momentum by focusing on the speed and magnitude of its price movements



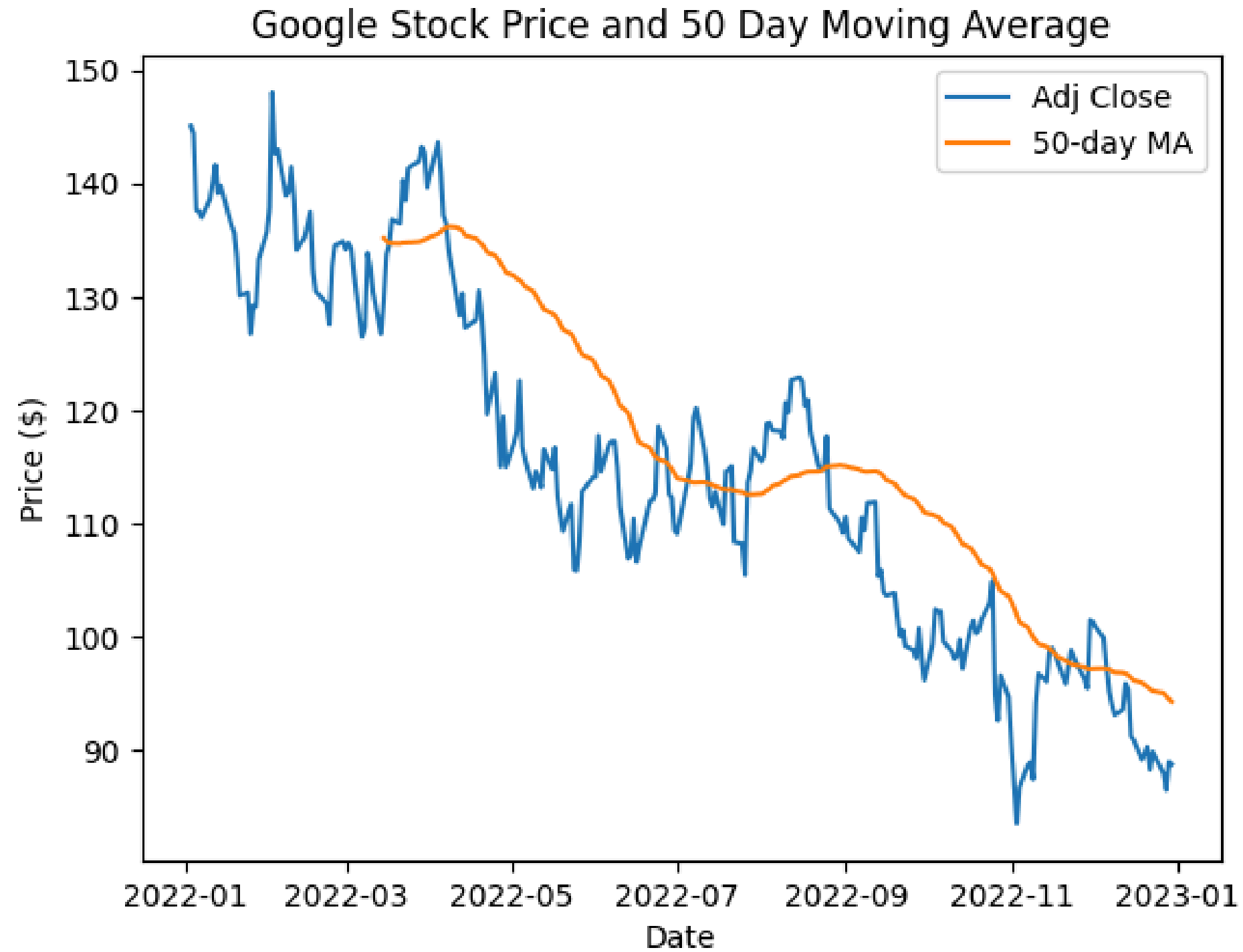
Daily Return

Google's daily return exhibits a median 0.025 to -0.025 value with significant price increases in February and August, followed by a sharp decline in the latter part of October.



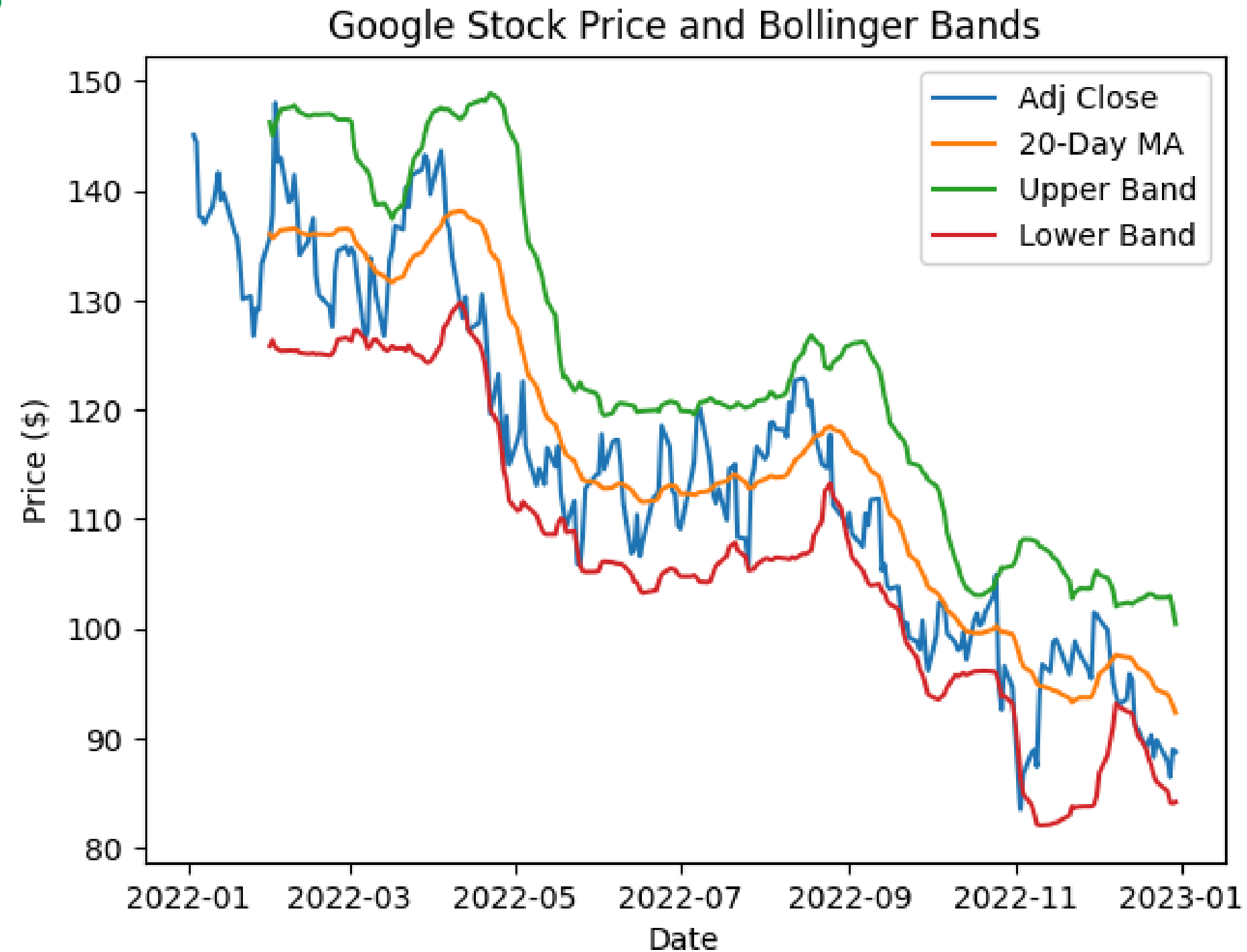
Moving Average

The price has experienced a sustained decline, as evidenced by the continuous downward trend in the adjusted closing price. This weakness is further confirmed by the price consistently trading below the 50-day moving average.



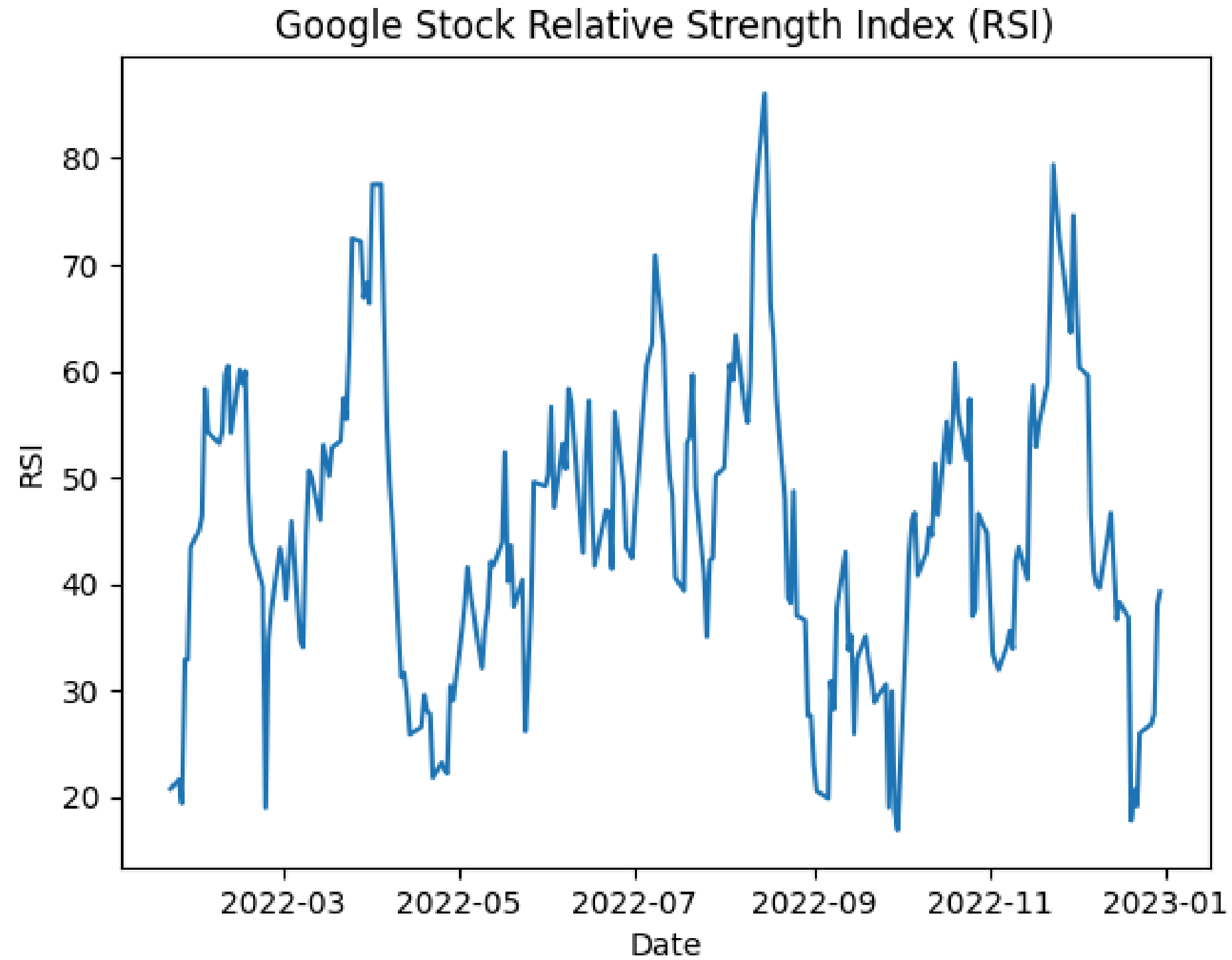
Bollinger Bands

Bollinger Bands indicate elevated volatility, with the adjusted closing price reaching both the upper and lower bands. This suggests a period of price dispersion and reinforces the downtrend in Google's stock price.



Relative Strength Index

The stock exhibited rapid price increases, suggesting short-term strength. However, the Relative Strength Index (RSI) remained below 50, indicating that these gains may not be sustainable.





CALCULATIONS

Additional Technical Indicators

Volatility

A higher value typically indicates greater stock price volatility

0.02

Sharpe Ratio

Measures performance of investment compared to a risk-free asset and higher sharpe ratio means better risk-adjusts return

-0.91

Beta

Measures stocks volatility in relation to the market, indicates that stock moves with the market

1.34

Summary

Despite experiencing occasional significant price increases, particularly in February and August, Google's stock price exhibits a concerning **downward trend**. This weakness is confirmed by the sustained decline in the adjusted closing price and its position consistently below the 50-day moving average. Bollinger Bands further support this downtrend by indicating elevated volatility with price movements reaching both upper and lower bands. While short-term rallies may suggest strength, the Relative Strength Index staying below 50 suggests these gains may not be sustainable. This negative outlook is reinforced by a low volatility reading of 0.02, coupled with a concerning Sharpe Ratio of -0.91, indicating underperformance relative to risk, and a Beta of 1.34, highlighting Google's stock being **more volatile than the market**.

