

# FIN 3104

Program: FPWT

Course: FIN 3104 2

## Assignment #2

### Financial Planning and Wealth Management

**Subject: 2024W FIN 3104 2 [Online 4] Investments 1**

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**Description:** Our group conducted a thorough analysis and review of the selected stocks as part of 2 assignment. We started by building a new portfolio, with new closing price, eps, p/e ratio.

Then we compared this with the old portfolio values, studying changes in shares quantities, market values and percentage change in portfolio. Our assessment goal was based on long term investing.

Leveraging our profit potential and detailed analysis, we've wisely bought and sold some stocks, maximizing our returns and capitalizing on market opportunities.

As a requirement we also found latest news and growth related to each stock, highlighting their implications for the portfolio. Over all, our analysis provided a detailed understanding of the selected stocks performance and their suitability for long term growth of portfolio.

## New Portfolio:

Company		Price per Share (USD) New	Price per Share (CAD) New	Annual Dividend per Share (USD)	Dividend Yield	EPS	P/E Ratio
Amazon		179.71		0 (Assuming no dividend)	0%	2.89	62.15
Apple		170.85		0.96	0.51%	6.42	26.61
Tesla		182.63		0 (Assuming no dividend)	0%	4.30	42.46
Loblaws		-	153.66	1.19	1.32%	4.79	23.18
CIBC		-	68.32	5.27	5.84%	6.34	10.56
Cash (2.5%)		-	-	-	-	-	-
Total		-	-	-	-	-	-

Company	Old Shares quantity	Old Price	New Price (CAD)	Percentage change in mkt value	New Quantity	New Mkt Value	% of portfolio
Amazon	1350	209.73	242.60	15.67%	1700	412420	34.36%
Apple	1203	248.65	230.64	-7.24%	600	149190	12.43%

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Tesla	800	253.19	246.55	-2.62%	400	101276	8.43%
Loblaws	1640	136.56	153.66	12.52%	1900	291953.6	24.32%
Cibc	2653	60.76	68.32	12.44%	3000	204960.04	17.08%
Cash						40200.36	3.35%
Total						12000000	100%

## Comments on Stocks:

Let's evaluate how each stock has performed so far and whether there's still confidence in them for long-term portfolio growth:

### Amazon:

Justification for Investing: Summertime shopping surge brought on by a rise in Amazon purchases.

Performance: In line with the anticipated rise in summer sales, Amazon's market value has increased by 15.67%.

Confidence: People continue to have faith in Amazon's long-term prospects due to its steady expansion and dominant position in e-commerce.

### Apple:

Motive for Investing: A combination of historical and projected performance analysis and the anticipated rise in stock value brought about by the September releases of new products.

Performance: The market value of Apple has decreased by -7.24%. This might not accurately represent the long-term potential, though, and could instead be related to transient variations. Despite a 5% impact on Apple's stock value due to a lawsuit from the US government, confidence in the trillion-dollar company remains high.

Trust: Because of Apple's strong brand, devoted client base, and impending product launches, trust in the company is still high despite short-term volatility. Apple's versatile product range and widespread recognition ensure resilience against short-term challenges, suggesting a potential bounce back in the near future.

### Tesla

Motivation for Investing: Anticipated increase in stock values as a result of the growing acceptance of electric vehicles despite rising fuel costs.

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Performance: The market value of Tesla has dropped by a relatively small -2.62% because of competition from BYD Chinese Electric vehicle maker. Even if it's not a huge rise, Tesla's volatility and long-term potential in the electric car industry must be taken into account.

Confidence: Given Tesla's creative thinking, technology developments, and growing need for environmentally friendly transportation options, confidence in the company is unwavering. Despite facing competition from BYD, Tesla's market value declined slightly by -2.62%. However, its leadership in the electric vehicle market, technological advancements, and global demand position Tesla favourably for a rebound, maintaining confidence in its long-term growth prospects

## **Loblaws:**

Reason for Investment: Anticipated resistance to inflation as long as people keep buying food, which are a need.

Performance: Despite inflation, Loblaws has seen a 12.52% gain in market value, which is consistent with the forecast of stable grocery demand.

Trust: Loblaws is a dependable long-term investment choice because of its success, which bolsters faith in its stability and durability.

## **CIBC:**

Reason for Investment: Most people cannot live without financial services, which creates a steady demand and room for expansion in the banking industry.

Performance: The consistent demand for banking services is reflected in CIBC's 12.44% growth in market value.

Trust: There is still a great deal of trust in CIBC's long-term development potential because of the importance of banking services and the company's standing in the industry.

## **Stock News:**

Amazon News: The company's stock price may rise significantly as a result of Amazon and Nvidia's expanding artificial intelligence cooperation. As evidence of Nvidia's dedication to AI advancement, the company hosts its AI computer platform and training software on Amazon's cloud computing platform, AWS.

This collaboration bolsters Amazon's standing in the cloud infrastructure market and demonstrates the company's potential for long-term growth.

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Apple News: The U.S. Justice Department filed a comprehensive antitrust lawsuit against Apple, claiming monopolistic tactics in the smartphone market. The lawsuit's challenges to Apple's hegemony in the iPhone ecosystem and its consequences for competition and innovation might have a big impact on the company's stock (AAPL). Investors will be closely following the case's development and any ramifications for Apple's standing in the industry and with regard to regulations.

Tesla Update: A comparison between BYD and Tesla can help one understand the dynamics of the electric vehicle (EV) market. When it came to car sales in the first quarter, BYD beat Tesla, particularly in China, whereas Tesla struggled with issues including lower manufacturing and weaker regional markets. BYD has an advantage over its competitors in the quest for lower EV prices because of its aggressive pricing strategy, planned growth, and technological developments. Tesla is still a significant player in the EV market, despite recent losses, and it is anticipated that it will retake the top rank in BEV sales in Q1.

The announcement highlights how competitive the EV market is and how major players like Tesla and BYD have adapted their business models to stay ahead of the competition and spur development. Investors will be keeping close eye on how these events affect the market performance and direction of both Tesla and BYD stocks.

Latest developments at Loblaws: The big Canadian grocery retailer Loblaw Companies Limited was fined \$7,000 when a 16-year-old sold wine at one of its Surrey, British Columbia, branches. The episode emphasizes how important it is to follow age restrictions on the selling of alcohol and the potential consequences—albeit slight—for companies that do not follow these regulations. Additionally, Loblaw's plans to build over 40 additional stores as part of its expansion strategy may allow the company to expand. To remain competitive in the retail industry and respond to evolving consumer needs, Loblaw is focusing on growing pharmacy care clinics and building low-cost outlets.

Through these investments, over 7,500 jobs have been created, demonstrating Loblaw's dedication to fostering economic expansion and job development in Canada. But Loblaw is also under pressure from lawmakers and consumers to address the issue of food inflation, which could have an effect on the company's financial results and strategic choices.

CIBC News: Despite worries about its exposure to the real estate market, Canadian Imperial Bank of Commerce's (TSX:CM) most recent earnings report outperformed forecasts and showed robust growth in a number of sectors. The report highlights robust net income growth in Canadian banking and wealth management, along with stronger-than-expected domestic retail performance. It also highlights CIBC's resilience and potential for future growth. These enhancements give investors confidence regarding the bank's long-term prospects.

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Overall, these news items highlight both opportunities and challenges for Loblaw as it navigates the retail landscape and seeks to enhance its market position.

## Review and comments:

After reviewing the news items and recent stock performance, it is evident that the above selected stocks align with the market dynamics along with the opportunity of growth. Following are the appropriate reasons for selecting these stocks:

**Amazon:** Amazon's continuous growth has been emphasized by a rise in summer shopping and the possibility of more collaboration with Nvidia in the artificial intelligence space. Even without any dividends, Amazon's market value has increased by 15.67%, which strengthens its position as the industry leader in e-commerce. The technological advancements and continued growth of the company promotes success in the long run.

**Apple:** Apple is still an elite rival in the technology industry despite obstacles including an antivirus case and periodic volatility. Long term investor's confidence is further strengthened by the expectation when a new product is launched. However, Apple's market value dropped around - 7.24%, but it's diverse product line and passionate client ensures the steady growth, which renders the company as an excellent addition to the portfolio.

**Tesla:** Tesla, being a significant competitor in the electric vehicle market, faced a setback because of the growing competition from BYD for its advancement in technology and the demand for environmentally friendly vehicles around the world. The market value of Tesla declined by a tiny proportion, but its innovative approach to manufacture electric vehicles and acquiring a leading position in the industry inspire the company's long-term goals. Tesla is a good option for a diversified portfolio since it reflects the rebound of BEV sales.

**Loblaws:** Loblaw's evolution plans and emphasis on satisfying customer demands position it well for future growth, despite regulatory barriers and concerns regarding food inflation. The company's ability to support Canada's development by investing in over 7,500 employees indicates the commitment. Furthermore, investor's faith in the sustainability of Loblaws and market position supports the inclusion of it in the portfolio.

**CIBC:** The company has shown its flexibility and potential for future growth with its outstanding earning reports and steady expansion in the industry, despite the uncertainty which surrounds the real estate market. Although given it's 12.44% rise in market price, CIBC is an appropriate option for long-term portfolio's growth along with the generation of income. The company's dominant position in the market and the quality of services provided by the bank assures its ability to navigate the challenges and seize the opportunities.

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