Selecting 9 Stocks

We focus on S&P100 and also pick one of each sector from 9 sectors. We used 4 criteria to scan the stock from 100 stock by using Price per book value below 3 due to those mean that the price of stock are still undervalue or not expensive. Moreover, Price to earning per share, dividend yield and size of market capital are combined to consider in selecting stocks as well. Hence, we were going to have these stocks as following;

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| **Sector** | **Company Name** | **Symbol** |
| Consumer Discretionary | WALT DISNEY Co. | DIS |
| Consumer Staples | CVS CAREMARK Corp. | CVS |
| Energy | OCCIDENTAL PETE | OXY |
| Financial | GOLDMAN SACH GP. | GS |
| Health Care | MERCK & Co. | MRK |
| Industrial | UNION PAC Corp. | UNP |
| Materials | ALCOA Inc. | AA |
| Technology | VISA Inc. – Class A | V |
| Utilities | EXELON Corp. | EXC |

From stocks in above table, we used several factors to choose stocks; business structure, size of market capital, debt to equity ratio, price to earning per share trade level, dividend yield.

Then, we are going to explain about factor to select stock in each.

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| **Company Profile** | **Reason** |
| 1. The Walt Disney Company (DIS)  P/E 18.82  P/B 2.14  %Dividend 0.93  D/E 32.10  Market Cap $81.7 mil. | Disney has several business units to generate revenue such as cable networking, broadcasting, theme park, patent; etc. Therefore, comparing with other companies in same sector, they don’t have diversification of business units as similar as Walt Disney. |
| 2.CVS Caremark (CVS)  P/E 14.40  P/B 1.32  %Dividend 0.96  D/E 26.65  Market Cap $49.9 mil. | We consider CVS from price to earning and debt to equity ratio that it has lowest in both of the sector. It means the price is still low and low obligation to pay in interest as well. |
| 3.OCCIDENTAL PETE (OXY)  P/E 17.78  P/B 2.79  %Dividend 1.43  D/E 15.73  Market Cap $90.7 mil. | The market cap of OXY is $90.7 millions that is reason of us to pick them because we want the market capital that not too high. Also, picking it from dividend yield that is higher than others. |
| 4.Goldman Sachs (GS)  P/E 11.95  P/B 1.18  %Dividend 0.92  D/E 669.06  Market Cap $85.03 mil. | Goldman Sachs is one of the best financial companies in the world. There is a plenty of world-class investment banker. |
| 5.Merck (MRK)  P/E 10.37  P/B 2.06  %Dividend 4.17  D/E 31.48  Market Cap $112.25 mil. | This is in health care sector that we consider them from dividend yield. Because we believe the health care sector should have resistance from recession. Moreover, this is the highest dividend yield in the sector. |
| 6.Union Pac Corp (UNP)  P/E 17.94  P/B 2.82  %Dividend 1.37  D/E 50.96  Market Cap $50.94 mil. | UNP is the largest railroad networking company in USA. In our view, we think that this business is monopoly of transportation in west coast of USA. |
| 7.VISA (V)  P/E 18.97  P/B 2.61  %Dividend 0.69  D/E 0.16  Market Cap $56.99 mil. | We pick it from business opportunities in the future. Because most of governments advocate people to change payment behavior from cash to electronic payment. So, Visa is as largest player in the industry that should get benefits from these opportunities. |
| 8.ALCOA Inc. (AA)  P/E 18.97  P/B 2.61  %Dividend 0.69  D/E 0.16  Market Cap $56.99 mil. | In this sector, we have 2 options to pick the stock among Dow Chemical and Alcoa company. We select Alcoa because debt to equity ratio of Dow is higher that means they may have a problem with the obligation in the future. |
| 9.EXELON Corp. (EXC)  P/E 10.00  P/B 2.01  %Dividend 4.97  D/E 96.11  Market Cap $27.92 mil. | Exelon is the leading nuclear power plant in USA. In term of stock, there is lowest p/e, highest dividend yield and lowest debt to equity in the sector. There business is highly monopoly with other businesses. |