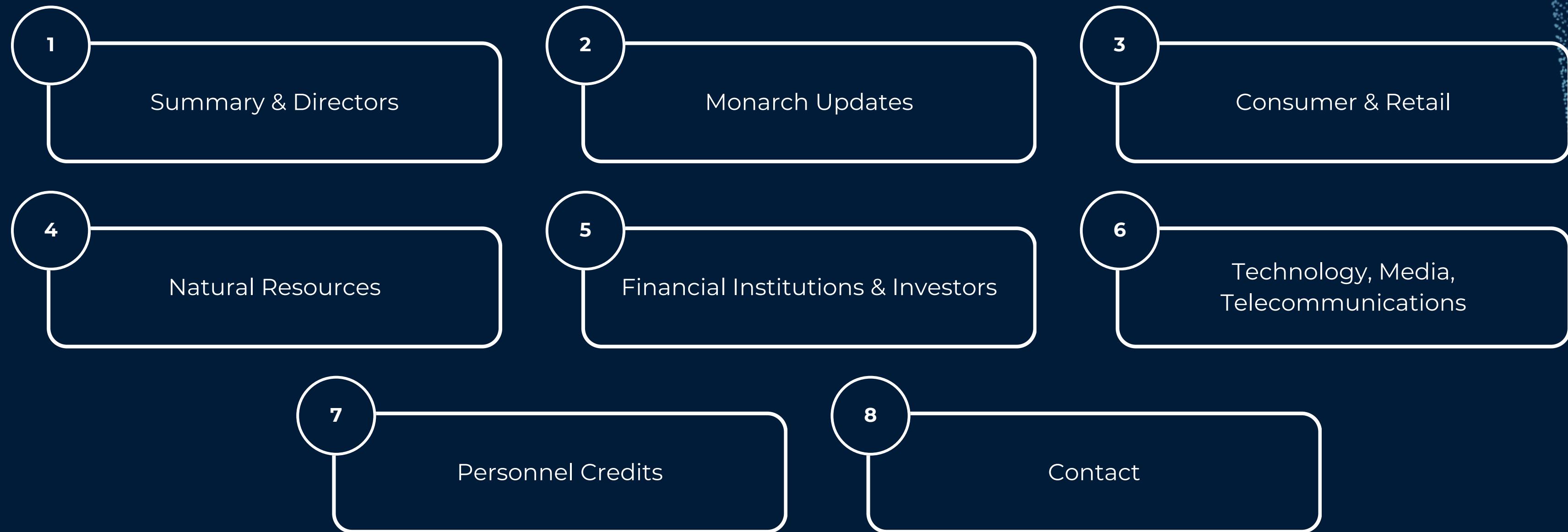




MONARCH WATCH

The Monarch Watch Report - Second Edition
21st April 2025

CONTENT PAGE



SUMMARY & DIRECTORS



Scott Sofian
Managing Director



Edus Ng
Managing Director



Kay Lam Wong
*Managing Director,
Head of Technical Analytics*



Axel Ong
*Managing Director,
Head of Equity Research*

Summary

The Monarch Watch Report is an independent report from Monarch Equity Research that serves to educate the masses on the latest market trends as well as company specific insights to gain different perspectives.

Monarch is an Independent Equity Research Group that aims to deliver the highest quality insights to you.

Disclaimer: This report serves as a research report and is not financial advice



MONARCH RESEARCH

Monarch Updates

MONARCH UPDATES - HUMAN RESOURCES & PERSONNEL

New Personnel Introduction



Chan Wee Chia
Associate,
Research (Healthcare)



Vivienne Tan
Associate,
Research (Consumer & Retail)



Ryan Tay
Analyst,
Research (TA)

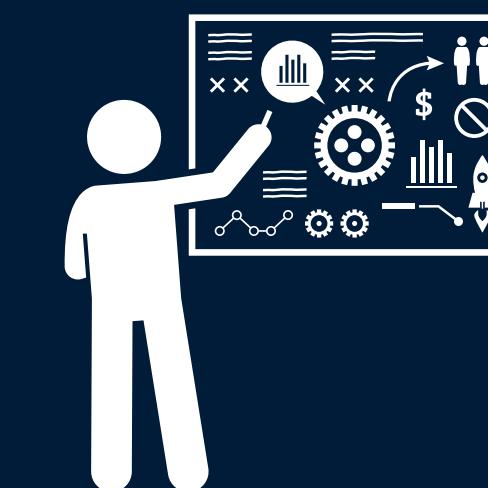
Roles Available *Reach out to us!*



Analyst,
Marketing & Communications



Analyst,
Equity Research



Analyst,
Corporate Strategy

Overview of Monarch Predictions

Q1 & Q2 2025, 18th April 2025



Walmart | BUY

- Trade: Long
- Result: **+10.42%**
- Position Open



Rigetti | SELL

- Trade: Short
- Result: **+60.43%**
- Position Closed



Micron | BUY

- Trade: Event-Based
- Result: **+5.57%**
- Position Closed



Microstrategy | BUY

- Trade: Long
- Result: **-8.43%**
- Position Closed



Sibanye Stillwater | BUY

- Trade: Long
- Result: **+44.88%**
- Position Closed



Platinum | BUY

- Trade: Long
- Result: **+5.96%**
- Position Open

Compounded Internal Rate of Return (Multiplying all IRRs)

+262.89%

Average Internal Rate of Return (If Evenly Distributed Portfolio)

+17.90%



STRATEGY &
ANALYTICS
DEPARTMENT

Virtual Portfolio #1 Overview

Execution Trader for Virtual Portfolio #1



Kay Lam Wong
Managing Director,
Head of Technical Analysis (TA)

Portfolio Overview

- Starting Balance: \$1,000,000.00
- Current Value: \$3,403,377.50
 - Realized & Unrealized P&L
- Profit / Loss: **+\$2,403,377.50**
- Cash Balance: \$1,630,000.00
- Equity Balance: \$1,773,377.50
- Current ROI: **+340.34%**
- Open Positions: 2
- Closed Positions: 4

Open Positions



Walmart | BUY

- Trade: Long
- Result: **+10.42%**
- Position Open



Platinum | BUY

- Trade: Long
- Result: **+5.96%**
- Position Open

Closed Positions



Microstrategy | BUY

- Trade: Long
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STRATEGY &
ANALYTICS
DEPARTMENT



MONARCH WATCH

Consumer & Retail Division

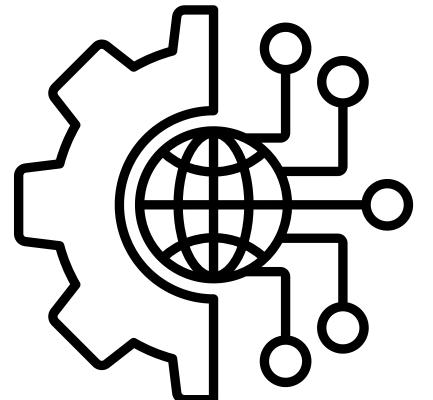
Amazon (\$AMZN) - NASDAQ

CONSUMER & RETAIL OVERALL LANDSCAPE



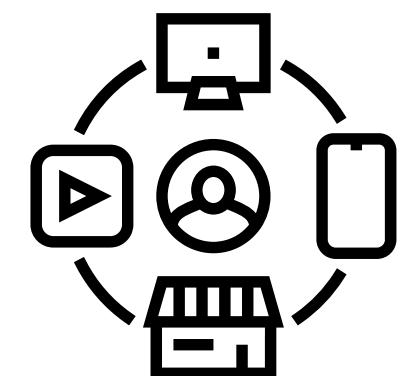
Consumers Prioritize Value Amid Economic Pressures

In 2024, high living costs led consumers to seek value-oriented options. Affluent shoppers turned to retailers like Walmart and Aldi, favoring fast food and home cooking over dining out. Online shopping and budget chains gained popularity, while department stores faced declines. This shift resulted in numerous retail and restaurant bankruptcies, highlighting a trend toward frugality and value-seeking behavior. Retailers that adapted with competitive pricing and private-label offerings saw stronger footfall and customer retention.



Technology Enhances Personalized Shopping Experiences

Retailers are increasingly leveraging technology to offer personalized shopping experiences. Over 90% of consumers are willing to share personal data for tailored services. Technologies like body scanners, customized content, and personalized coupons are being utilized to cater to individual shopper preferences, reflecting a trend towards hyper-personalization in retail. Those integrating AI and real-time data analytics are outperforming peers in customer satisfaction and basket size.



Omnichannel Strategies Drive Retail Growth

Retailers that seamlessly integrate online and offline experiences are gaining competitive advantages. Consumers increasingly expect flexible options such as buy-online-pick-up-in-store (BOPIS), curbside pickup, and real-time inventory visibility. Brands investing in omnichannel infrastructure—like unified loyalty programs and mobile-first engagement—are reporting higher conversion rates and customer lifetime value. This convergence of digital and physical retail is becoming essential to meet modern consumer expectations.

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- 2.https://www.businessinsider.com/recession-fashion-clothing-tariffs-neutrals-quiet-luxury-basics-2025-4?utm_source=chatgpt.com
- 3.https://www.bigcommerce.com/articles/omnichannel-retail/?utm_source=chatgpt.com

COMPANY OVERVIEW & KEY STATISTICS



Company Background

Amazon.com, Inc., founded by Jeff Bezos in 1994, began as an online bookstore and quickly expanded into a global e-commerce and tech giant. Headquartered in Seattle, it operates across retail, cloud computing (AWS), digital streaming, and AI. Amazon is known for its customer-centric model, rapid delivery, and market-leading innovations.

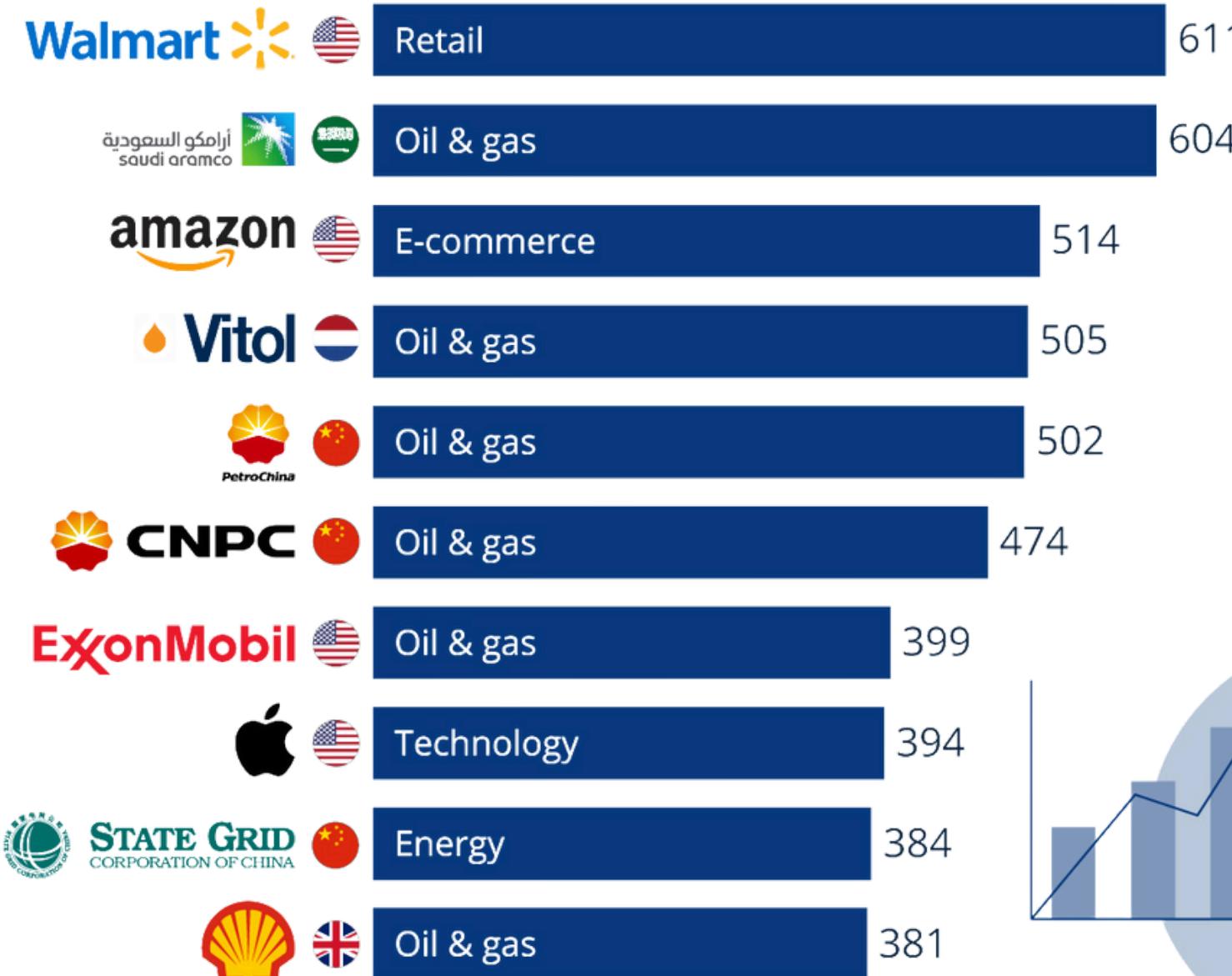
Unique Value Proposition

Amazon's unique value proposition lies in its vast product selection, competitive pricing, and fast, reliable delivery. It integrates seamless digital experiences through services like Prime, Alexa, and personalized recommendations. Backed by powerful logistics and cloud infrastructure, Amazon delivers unmatched convenience and scale.

Company Offerings

Amazon's offerings include its core e-commerce platform selling products across categories like electronics, apparel, and groceries. It provides cloud computing services through Amazon Web Services (AWS), along with digital content via Prime Video, Music, and Kindle. Additional offerings include smart home devices (Alexa), physical retail (Whole Foods), and logistics and advertising services.

World's Highest Grossing Companies (Statista)



SOURCES

- 1.<https://www.aboutamazon.com/about-us>
- 2.<https://www.statista.com/chart/27823/companies-with-the-highest-net-revenue-worldwide/>

SIGNIFICANT UPDATES



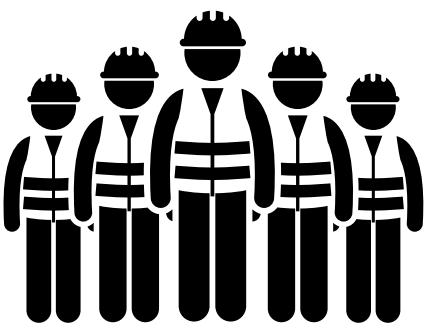
Record Financial Performance in 2024

Amazon posted its strongest financial results to date in 2024, reporting net sales of \$638 billion, an 11% increase year-over-year. Operating income surged by 86% to \$68.6 billion, while net income nearly doubled to \$59.2 billion—reflecting strong cost discipline and growth across multiple business units. Amazon Web Services (AWS) continued to be a key driver of profitability, generating \$107.6 billion in revenue, up 19% from the previous year, with increasing adoption by enterprise and AI workloads. The company's advertising business also saw double-digit growth, underscoring Amazon's growing influence in digital media and brand monetization.



Expansion of Drone Delivery Services

Amazon has made notable progress in its push for autonomous logistics with the expansion of Prime Air, its drone delivery program. In November 2024, it launched drone deliveries in the West Valley of the Phoenix Metro Area, enabling over 50,000 items to be delivered within 60 minutes. Amazon announced plans to expand this service to the UK and Italy, positioning itself as a global leader in aerial last-mile delivery innovation. These moves reflect Amazon's long-term investment in automation and sustainability, aiming to reduce delivery emissions while increasing delivery speed and convenience.



Labor Strike During Holiday Season

On December 19, 2024, more than 7,000 Amazon workers—organized by the Teamsters union—staged a major strike across eight fulfillment centers in California, Georgia, Illinois, and New York. The strike, which coincided with the critical holiday season, was the largest organized labor action Amazon has faced and was fueled by demands for better wages, job security, and working conditions. While Amazon stated that operations were minimally affected, the incident drew significant media and political attention, raising questions about labor practices at large tech employers and potentially accelerating unionization efforts within the company.

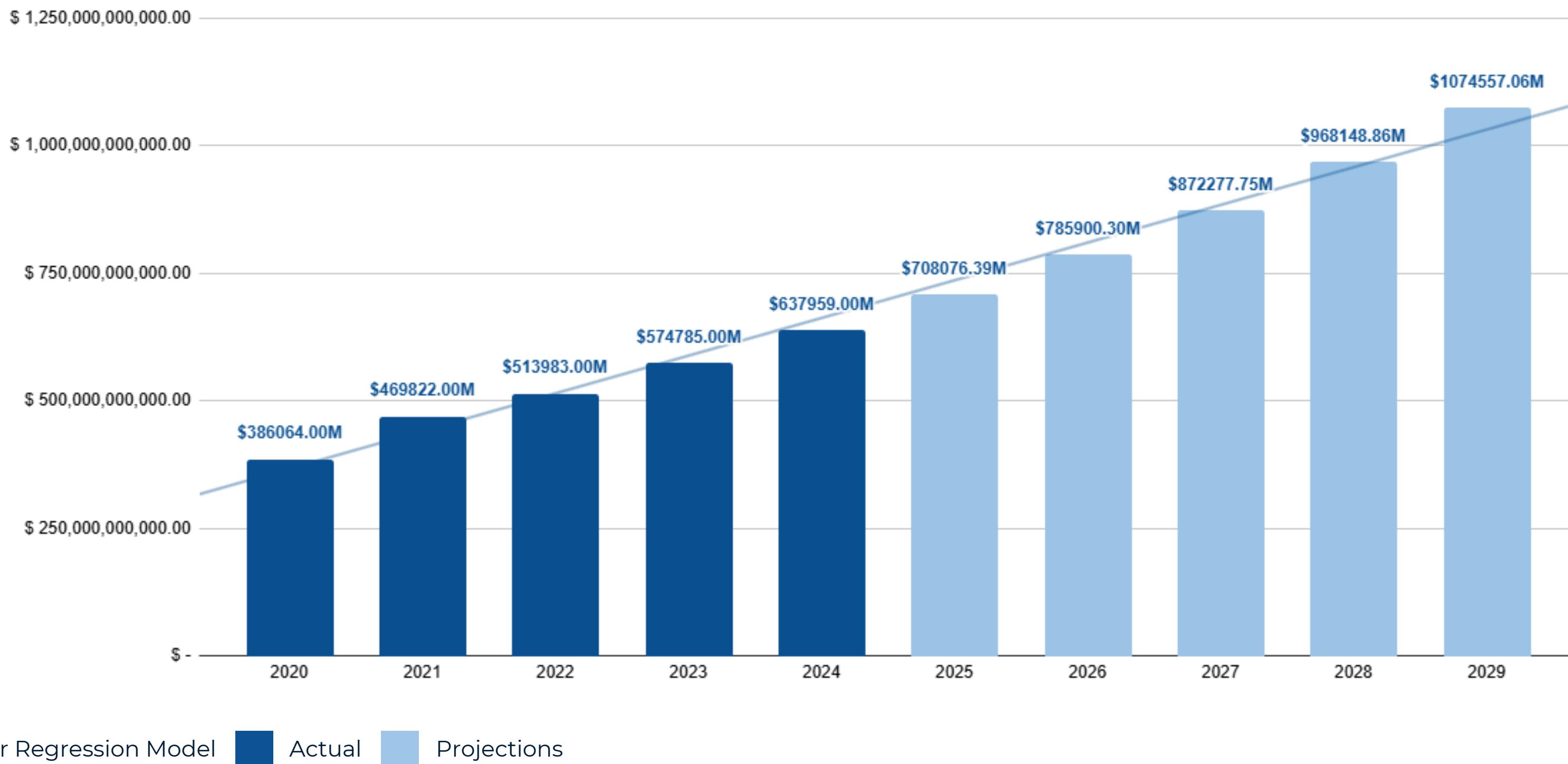
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- 2.https://en.wikipedia.org/wiki/Amazon_Prime_Air?utm_source=chatgpt.com
- 3.https://en.wikipedia.org/wiki/2024_Teamsters_Amazon_Strike?utm_source=chatgpt.com

FINANCIALS & ANALYSIS - REVENUE



Revenue (Year-on-Year) | 11% Perpetual Growth Rate (Prev Year Growth Rate)



SOURCES

1.S&P Capital IQ Pro

FINANCIALS & ANALYSIS - FINANCIAL RATIOS



Monarch | Financial Ratio Analysis Sheet - Amazon (\$AMZN) | NASDAQ | 21st April 2025



MONARCH
Equity Research

Leverage Ratios		
Ratio Name	Amazon's	Industry Average
Debt Ratio	0.21	0.71
Debt to Equity Ratio	0.46	1.40
Interest Coverage Ratio	28.51	4.50
Debt Service Coverage Ratio	47.61	1.25

Liquidity Ratios		
Ratio Name	Amazon's	Industry Average
Current Ratio	1.06	1.50
Quick Ratio	0.84	0.33
Acid-test Ratio	0.65	0.25
Cash Ratio	0.65	0.25
Operating Cash Flow Ratio	0.65	0.30

Profitability Ratios		
Ratio Name	Amazon's	Industry Average
Gross Margin Ratio	48.85%	35.00%
Operating Margin Ratio	10.75%	10.00%
Net Margin Ratio	9.29%	5.00%
Return on Assets Ratio	9.48%	3.00%
Return on Equity Ratio	20.72%	12.00%

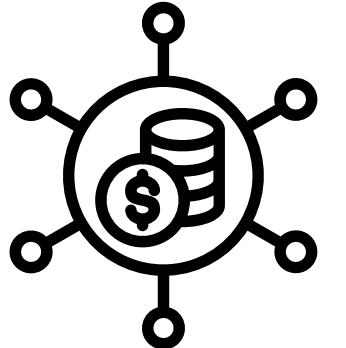
Efficiency Ratios		
Ratio Name	Amazon's	Industry Average
Asset Turnover Ratio	1.02	1.20
Inventory Turnover Ratio	9.54	5.00
Accounts Receivable Turnover Ratio	11.50	8.00
Days Sales in Inventory Ratio	38.27 Days	73 Days

Market Ratios		
Ratio Name	Amazon's	Industry Average
Book Value per Share	\$27.31	\$20.00
Dividend Yield Ratio	N/A	2.00%
Earnings per Share Ratio	\$5.66	\$3.00
Price-Earnings Ratio	38.78	15.00

SOURCES

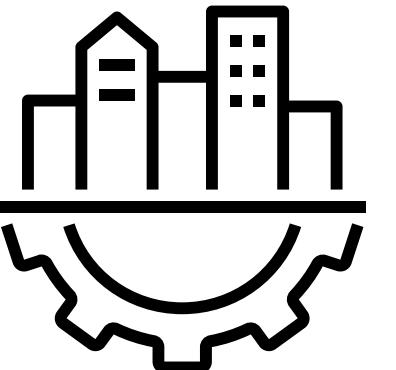
1.S&P Capital IQ Pro

INVESTMENT THESIS



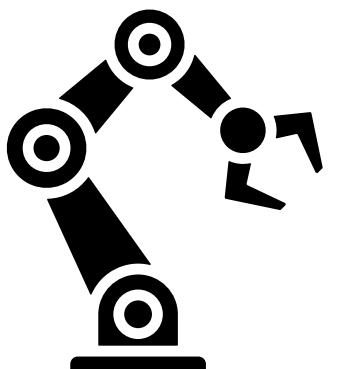
Diversified Revenue Streams with Consistent Growth

Amazon has evolved far beyond its origins as an online bookstore into a global tech and retail powerhouse with multiple high-performing business lines. Its e-commerce platform spans North America, Europe, and emerging markets, while Amazon Prime boasts over 230 million members globally, providing recurring revenue through subscriptions. Amazon Web Services (AWS) continues to deliver robust growth, complemented by a booming digital advertising division that's now the third-largest in the U.S. With total revenue reaching \$638 billion in 2024, Amazon has demonstrated the resilience and scalability of its diversified business model, making it well-positioned to navigate economic cycles while capturing growth across sectors.



Dominance in Cloud and AI Infrastructure

Amazon Web Services is not only the leading cloud service provider globally, but also a critical enabler of the ongoing AI revolution. AWS holds nearly one-third of the global cloud market and is trusted by governments, Fortune 500 firms, and AI startups alike. As demand for generative AI, real-time analytics, and scalable computing intensifies, AWS is capturing a growing share of high-margin, mission-critical workloads. Its consistent profitability supports Amazon's broader investments in innovation and global expansion. In 2024, AWS generated over \$107 billion in revenue, highlighting its role as Amazon's financial engine and a cornerstone of modern digital infrastructure.



Relentless Innovation and Logistics Powerhouse

Amazon's culture of innovation extends across every aspect of its business—from AI-powered Alexa and smart home devices to cashier-less Amazon Go stores and drone delivery through Prime Air. Its deep investment in automation, robotics, and logistics has created an unmatched global supply chain that enables ultra-fast delivery and cost control at scale. The company's ability to experiment, iterate, and deploy new technologies quickly gives it a lasting competitive edge. Whether through predictive product recommendations, personalized shopping experiences, or integrated fulfillment, Amazon continues to lead the future of retail and redefine customer expectations.

RISK & CATALYSTS

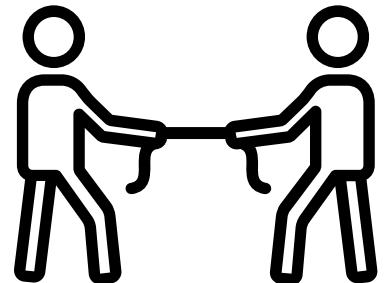


RISKS



Regulatory Scrutiny and Antitrust Pressure

Amazon faces increasing scrutiny from regulators in the U.S., Europe, and other markets over its dominance in e-commerce and cloud services. Antitrust actions or forced divestitures could limit its expansion, disrupt operations, or lead to hefty fines and compliance costs.



Slower AWS Growth Due to Competition

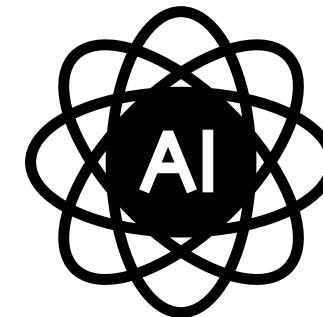
While AWS remains a leader, growth is moderating as Microsoft Azure and Google Cloud gain market share. Pricing pressure, enterprise IT budget constraints, or a failure to lead in AI infrastructure could reduce AWS's contribution to Amazon's overall profitability.



Economic Slowdown Impact

Persistently high interest rates, inflationary pressures, and slower global GDP growth could weigh on consumer spending, especially in discretionary categories. As Amazon remains highly exposed to retail demand, economic softness could impact top-line growth and strain margins.

CATALYSTS



AI-Driven Expansion of AWS

If AWS successfully leads the next wave of generative AI and enterprise automation services, it could unlock a new phase of high-margin growth. Continued dominance in AI infrastructure would reinforce AWS as Amazon's cash engine and attract new clients across industries.



Retail Margin Improvement via Automation

Amazon's focus on automating fulfillment centers, expanding last-mile delivery (e.g., drones), and monetizing traffic through high-margin ad services could significantly lift retail profitability. A shift from growth to margin expansion may boost investor sentiment.



Breakout Performance in International Markets

Accelerated growth in markets like India, Brazil, and the Middle East could drive revenue diversification and scale benefits. If Amazon captures market leadership abroad, it could unlock new long-term growth opportunities beyond the maturing U.S. business.

SOURCES

- 1.https://www.businessinsider.com/aws-chips-supercomputer-ai-reinvent-big-tech-2024-12?utm_source=chatgpt.com
- 2.https://www.grocerydoppio.com/quarterly-grocer-performance/amazon-q4-2024-accelerated-growth-through-fulfillment-ai-and-retail-media?utm_source=chatgpt.com
- 3.https://press.aboutamazon.com/in/2024/9/amazon-enabled-exports-from-india-to-surpass-13-billion-by-end-of-2024?utm_source=chatgpt.com
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- 6.<https://apnews.com/article/amazon-antitrust-lawsuit-ftc-case-bbd55b3403978183360fe0bc7e3f08cc>



CONSUMER &
RETAIL DIVISION

VALUATIONS - DISCOUNT CASH FLOW



Calculations	
Growth Rate	10.00%



In Millions (m)

Discounted Cash Flow Model	2023	2024	2025	2026	2027	2028	2029
Operating Income	\$ 36,900.00	\$ 68,600.00	\$ 75,460.00	\$ 83,006.00	\$ 91,306.60	\$ 100,437.26	\$ 110,480.99
Less: Cash Taxes	\$ 7,120.00	\$ 12,300.00	\$ 13,530.00	\$ 14,883.00	\$ 16,371.30	\$ 18,008.43	\$ 19,809.27
Plus: Depreciation & Ammortization	\$ 52,800.00	\$ 52,800.00	\$ 58,080.00	\$ 63,888.00	\$ 70,276.80	\$ 77,304.48	\$ 85,034.93
Less: Capital Expenditure	\$ 59,300.00	\$ 78,000.00	\$ 85,800.00	\$ 94,380.00	\$ 103,818.00	\$ 114,199.80	\$ 125,619.78
Less: Changes in Net Working Capital	\$ (11,540.00)	\$ (15,540.00)	\$ (17,094.00)	\$ (18,803.40)	\$ (20,683.74)	\$ (22,752.11)	\$ (25,027.33)
Free Cash Flow	-	-	\$ 51,304.00	\$ 56,434.40	\$ 62,077.84	\$ 68,285.62	\$ 75,114.19
PV of Free Cash Flow	-	-	\$ 45,636.01	\$ 44,653.63	\$ 43,692.40	\$ 42,751.85	\$ 41,831.56
Shares Outstanding	10,610.00			Total Debt	\$ 155,400.00		
Intrinsic Value	\$ 194.70			Cash & Cash Equivalents	\$ 101,200.00		

WACC	12.42%
TV (PV)	\$ 1,901,434.55
EV (PV)	\$ 2,120,000.00

DCF Intrinsic Value Shows Undervaluation

Our DCF model reflects \$194.70 which is higher than the current share price of Amazon \$172.63. This reflects Amazon share price is overvalued as compared to its intrinsic value



Amazon is Undervalued

Amazon's overvaluation is extremely marginal and is close to intrinsic value. Despite all this, we believe Amazon's is undervalued especially as an ecommerce giant with leading cloud solutions, we believe that as a dominant player, they would be pricier.

SOURCES

1.S&P Capital IQ Pro

VALUATIONS - MULTIPLES APPROACH



Calculations	
Growth Rate	10.00%



In Millions (m)

Multiples Approach Model	2023	2024	2025	2026	2027	2028	2029
Net Income	\$ 10,430.00	\$ 30,430.00	\$ 33,473.00	\$ 36,820.30	\$ 40,502.33	\$ 44,552.56	\$ 49,007.82
Company		Share Price	Earnings Per Share	P/E Multiple			
Alibaba Group		\$ 108.87	\$ 6.92	15.73265896			
JD.com		\$ 38.00	\$ 3.27	11.62079511			
eBay Inc.		\$ 45.00	\$ 2.50	18			
Etsy Inc.		\$ 100.00	\$ 4.00	25			
PDD Holdings		\$ 120.00	\$ 5.50	21.81818182			
Shares Outstanding	\$ 10,610.00						
Calculated Share Price	\$ 47.42						

WACC	12.42%
------	--------

Average P/E Multiple	18.43
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PV of Valuation	\$ 503,123.69
-----------------	---------------



MA Model Value Shows Overvaluation

Our MA model reflects \$47.42 which is lesser than the current share price of \$172.63. This reflects Amazon's share price is overvalued as compared to its value



Reasons for Amazon's Overvaluation

Amazon as a market leader, we expect it to be compared to its underperforming peers. Therefore, overvaluing it as it Amazon is has additional income streams and areas as compared to its ecommerce peers.

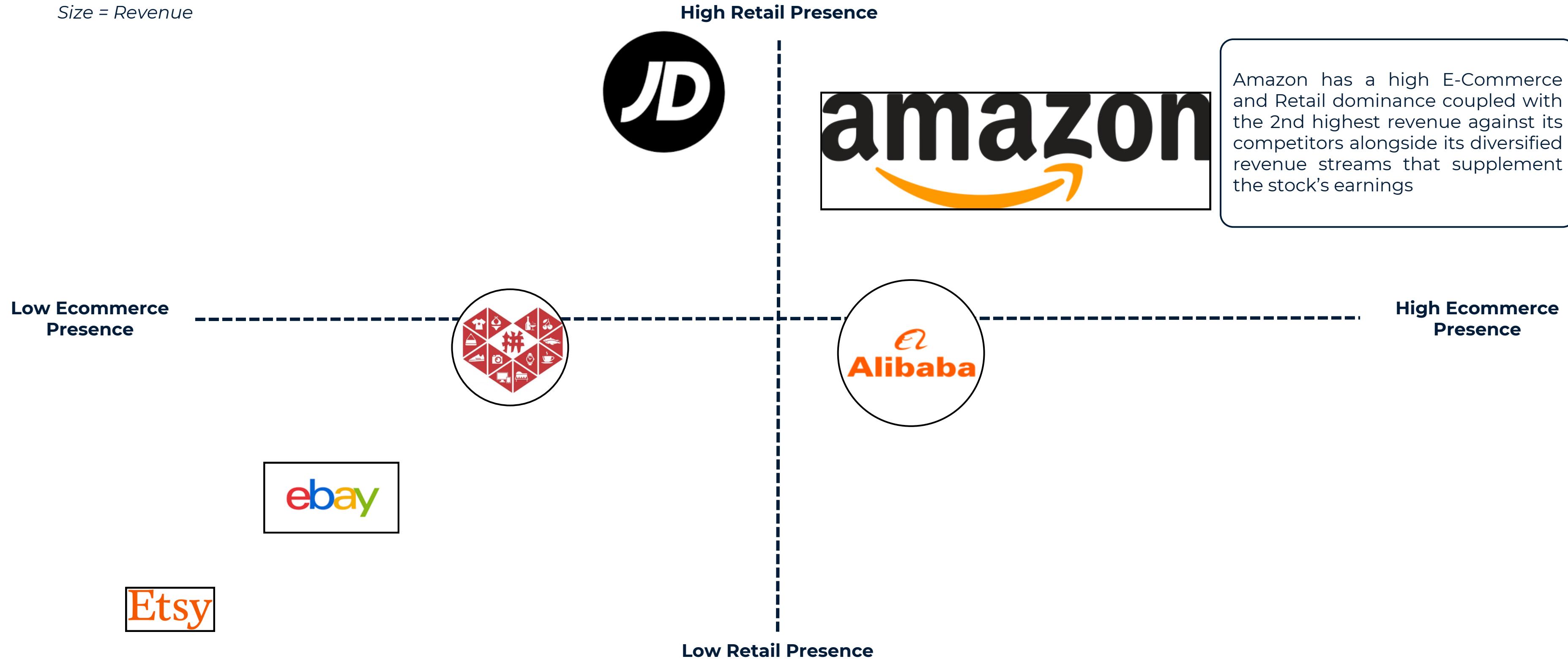
SOURCES

1.S&P Capital IQ Pro

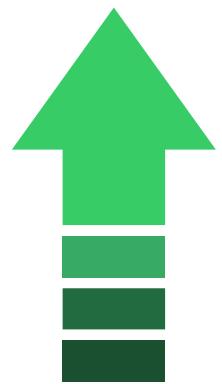
COMPARABLES ANALYSIS



Size = Revenue



QUANTITATIVE - TECHNICAL ANALYSIS

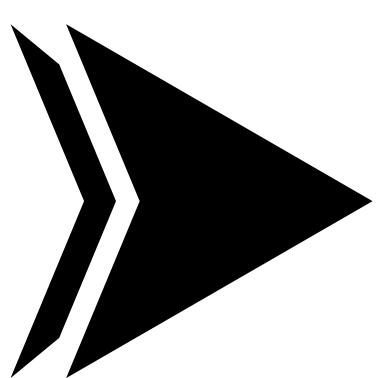


Monarch's Technical Prediction

Long

Price Targets:

- \$202.07, \$242.61



Key Confluences for the Long:

Upward Trend Confirmation – Higher Highs and Higher Lows on a Weekly Timeframe

Amazon is currently in a correction phase because of current market conditions after a strong rally. Instead of rushing in, we wait for Smart Money to provide a discount before entering.

Using Fibonacci retracement and Smart Money Concept (SMC), we identify key price zones where institutional buyers are likely to step in.

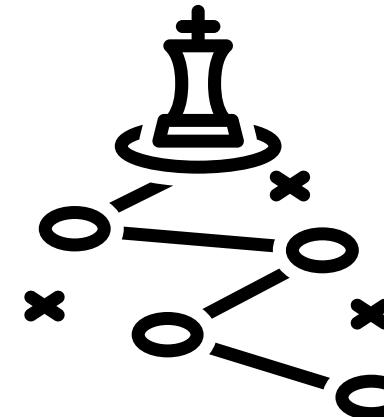
This trade is not yet ready for a long entry

QUANTITATIVE - TECHNICAL ANALYSIS



Possible Trading Strategy

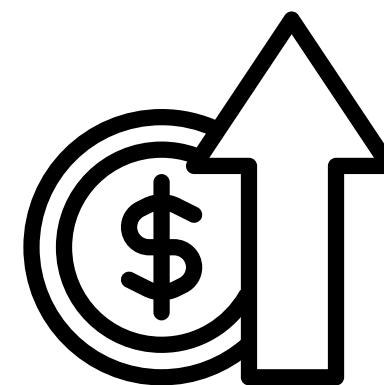
For a high-probability trade, we wait for price to reach the 0.618 - 0.79 Fibonacci retracement levels, where institutional traders prefer to enter.



Key Levels to Watch for Entry:

- 0.618 Retracement → \$166.22
- 0.706 Retracement → \$155.34
- 0.79 Retracement → \$144.96

Key Confluences for the Long:



Take Profit Levels:

- TP1: \$202.07 (0.328 Fib Level) – Minor resistance level for partial profits.
- TP2: \$242.61 (0 Fib Level) – Key resistance level from all time high zones.



Risk Management Strategy

Entry Strategy – Layered Precision

We place limit orders at three key Fibonacci retracement levels to capture the best entries:

- 0.618 Fib Entry – A classic institutional entry point
- 0.706 Fib Entry – Where liquidity often sweeps before reversal
- 0.79 Fib Entry – Deep discount for maximum R:R

This allows us to scale into the position instead of going all-in at one level.

Stop Loss Logic – Tight & Tactical

We place stop losses below the 0.848 Fib or the swing low (1.0 Fib) depending on market structure:

- Use 0.848 if structure is clean and ranges are tight
- Use 1.0 if volatility demands a safer buffer

This flexibility adapts to market conditions while still keeping risk defined.

Risk Per Trade – Strict 1% Rule

We risk only 1% of total capital per trade, regardless of account size or conviction.

This ensures:

- Longevity in the market
- Controlled drawdowns
- Compounded growth over time

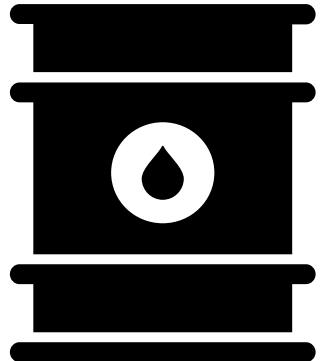


MONARCH WATCH

Natural Resources Division

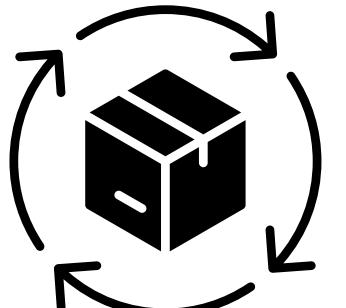
Navios Maritime (\$NMM) - NYSE

NATURAL RESOURCES OVERALL LANDSCAPE



Elevated Oil-in-Transit Levels and Tanker Market Fundamentals

- High Oil-in-Transit Levels: Global oil-in-transit is rising, approaching recent highs from 2023. This signals increasing volumes of crude oil being shipped worldwide, reflecting stronger demand and higher market activity. The increase in oil-in-transit is a positive indicator for the tanker market, as it supports the outlook for sustained, or even higher, tanker rates.
- Tanker Rate Strength and Market Fundamentals: Despite geopolitical and economic uncertainty, oil tanker rates have been experiencing upward pressure, partially driven by a decline in available fleet capacity and the potential for further sanctions. The current state of the market, where tanker equities remain at two-year lows despite the strengthening fundamentals, presents a favorable risk-reward outlook for the sector.



Chinese Demand and Crude Oil Inventory Dynamics

- China's Strong Demand and De-Stocking: China's crude oil inventories have been drawing year-to-date, coinciding with record refinery runs during January and February 2025. This de-stocking is not normal and is expected to swing back towards restocking in the coming months, especially as China continues to build its storage capacity. Increased Chinese consumption is likely to create upward pressure on global oil demand, supporting higher oil prices and stronger demand for oil tankers.
- Increased Refinery Activity: With Chinese refinery runs at all-time highs, the demand for crude oil, particularly from sanctioned and alternative sources, is intensifying. This, coupled with the country's focus on bolstering domestic energy security, is likely to drive stronger import volumes, further pushing up tanker rates as global shipments increase.



Tightening Supply and Tanker Market Strength

- Decline in Tanker Fleet Capacity: A significant portion of the global tanker fleet is aging, with 20.86% of vessels aged 20 years or more as of 2024. This aging fleet is expected to face increased scrapping rates, especially as the fleet's sanctioned vessels (e.g., carrying Russian and Iranian oil) are phased out. This will contribute to a potential multi-year supply squeeze in the tanker market.
- Sanctioned Tankers and Deferred Maintenance: The 10.6% of the fleet on sanctions (mainly carrying oil from countries like Russia and Iran) is being phased out, with owners opting for scrapping rather than costly maintenance. The reduction in tanker fleet capacity, combined with limited new vessel orders, is likely to support higher tanker rates in the coming years.

SOURCES

1. <https://fearnpulse.com/tank-report/fearnleys-tanker-market-wrap-up-mar-2025>

COMPANY OVERVIEW & KEY STATISTICS



Company Background

Navios Maritime Partners L.P. is a leading international owner and operator of drybulk and tanker vessels, providing critical transportation services for the global energy and resources industries. With a diversified fleet of modern and well-maintained vessels, \$NMM operates in key maritime shipping sectors, including crude oil and drybulk transportation, serving customers around the world.

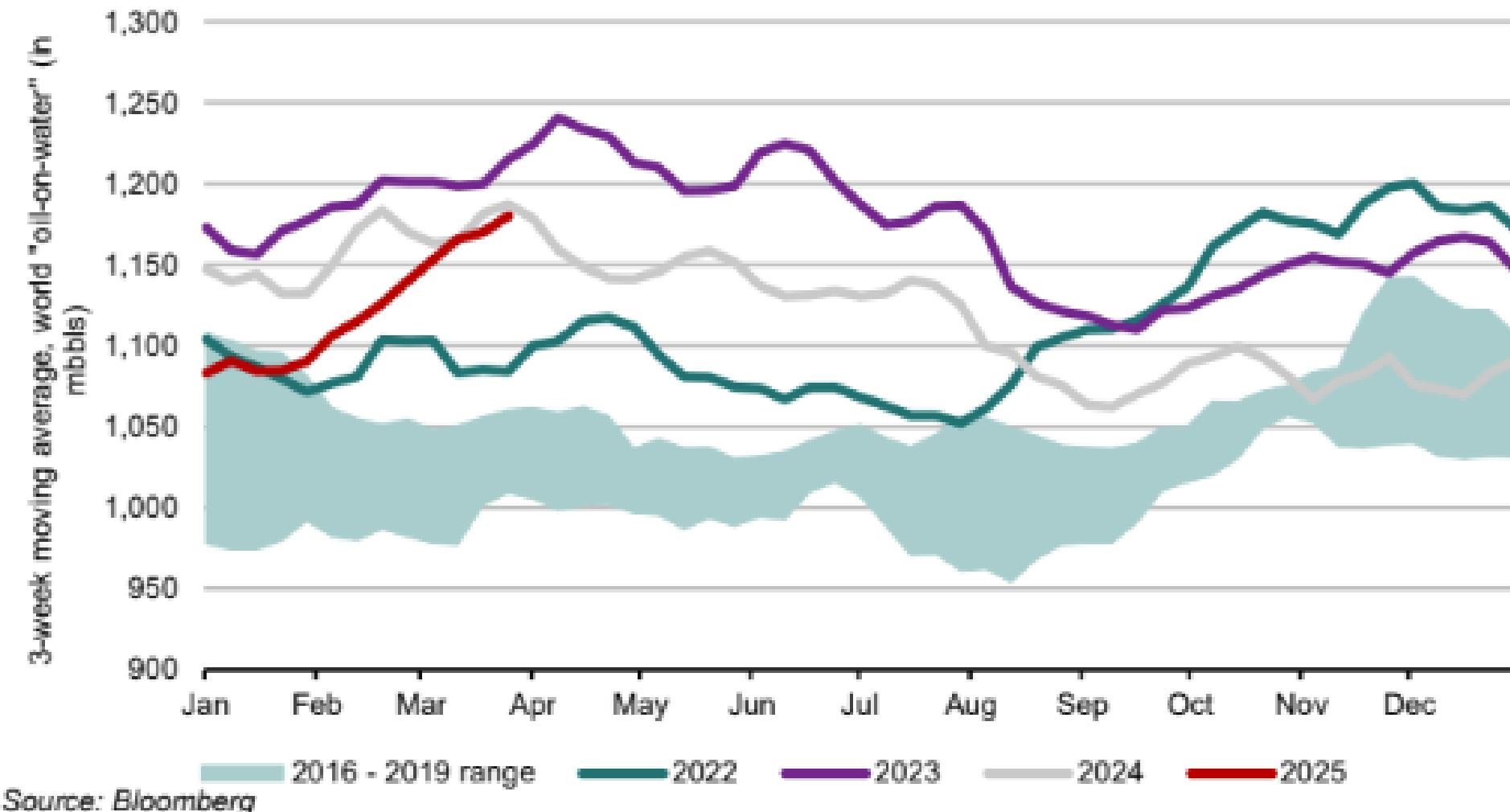
Unique Value Proposition

\$NMM offers reliable, cost-efficient shipping solutions with a diversified fleet in both tanker and drybulk markets. Its strategic positioning and ability to adapt to market shifts, including geopolitical disruptions, give it a competitive edge in capturing growing demand for energy and resources transportation.

Company Offerings

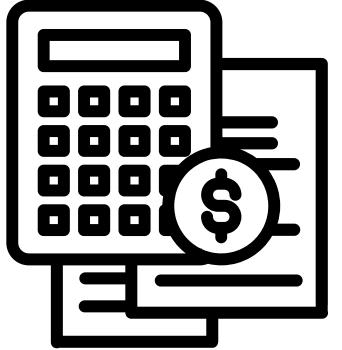
- Crude Oil Tanker Services: Transporting crude oil with a modern fleet, benefiting from rising global demand.
- Drybulk Shipping: Providing transportation for essential commodities in mining and agriculture.
- Fleet Management: Efficient fleet operations and optimal vessel utilization for diverse shipping needs.

Global "oil-on-water"



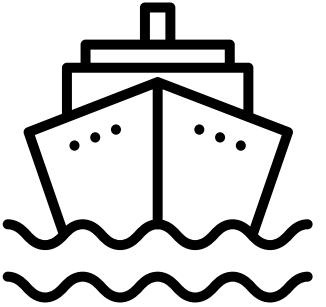
Source: Bloomberg

SIGNIFICANT UPDATES



Strong Financial Performance in 2024

- Overview: In their Q4 2024 earnings report, Navios Maritime Partners reported impressive financial results, with a revenue of \$1.33 billion for the full year. Their net income stood at \$367.3 million, with an earnings per common unit (EPU) of \$11.98 for the full year and \$3.11 for Q4 alone. This performance highlights the company's resilience and ability to capitalize on favorable market conditions, particularly in the shipping and tanker sectors.
- Significance: This solid financial performance demonstrates the effectiveness of their business strategy and provides a strong foundation for potential growth, even amidst challenges in the shipping and oil markets.



Fleet Expansion and Modernization

- Overview: Navios Maritime Partners has recently expanded and modernized its fleet by taking delivery of several new vessels, including the Aframax/LR2 product tankers Nave Neutrino and Nave Photon. These vessels are more fuel-efficient and comply with the latest environmental standards, contributing to the company's long-term sustainability efforts.
- Significance: The addition of these modern vessels helps the company remain competitive in the tanker market and supports their commitment to reducing carbon emissions. With the shipping industry focusing on decarbonization, these newer vessels position NMM well for future growth and regulatory compliance.



Leadership Change

- Overview: On April 3, 2025, Navios Maritime Partners announced the retirement of Vice Chairman, Mr. Ted Petrone. This marks a significant leadership change in the company, which could lead to a new strategic direction moving forward.
- Significance: While leadership transitions often bring uncertainty, it could also bring fresh perspectives and strategies, particularly as Navios Maritime Partners looks to adapt to the evolving shipping landscape. This change could have a long-term impact on the company's operations and decision-making.

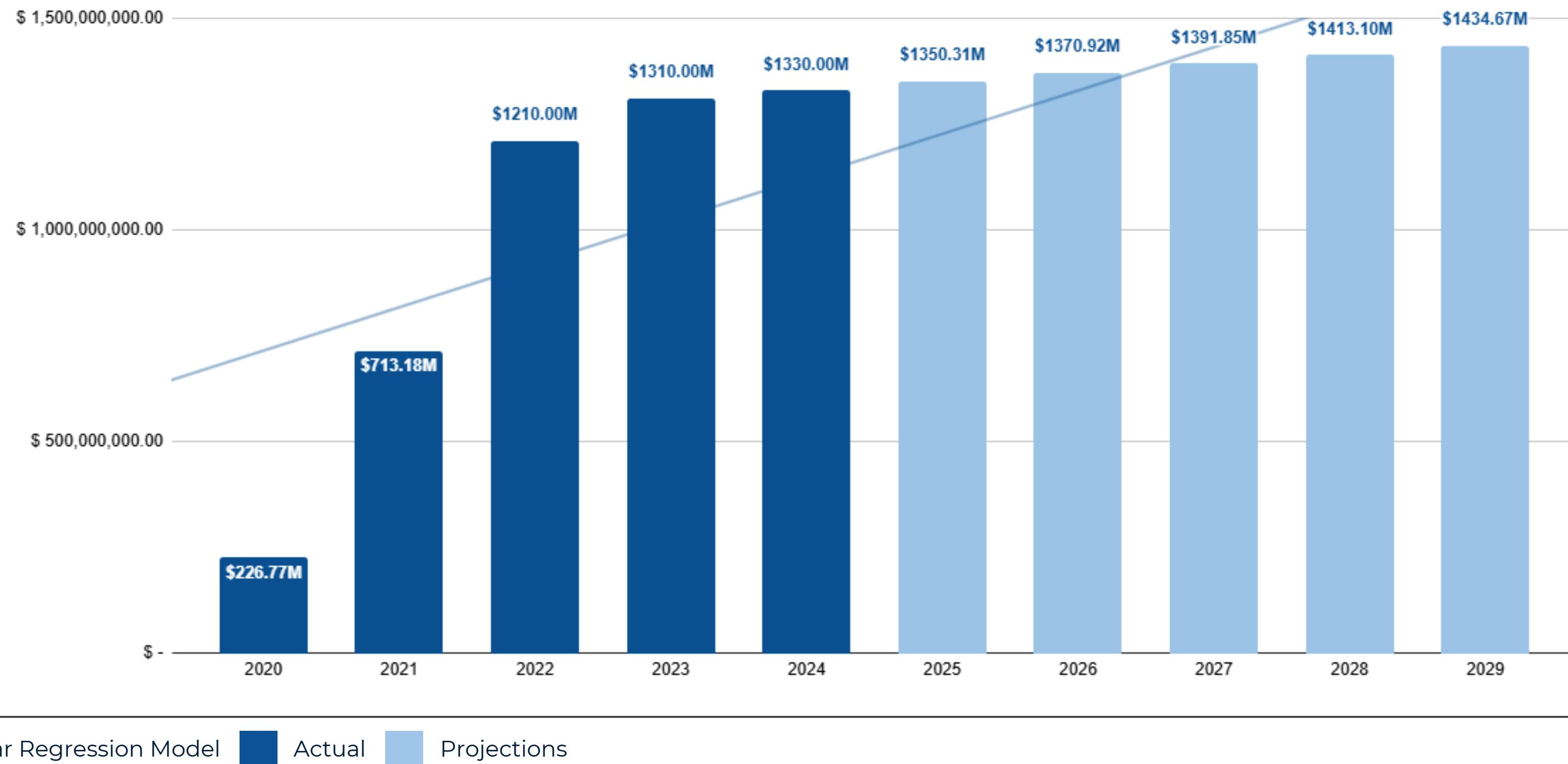
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- 1.<https://www.globenewswire.com/news-release/2025/02/13/3025773/0/en/Navios-Maritime-Partners-L-P-Reports-Financial-Results-for-the-Fourth-Quarter-and-Year-Ended-December-31-2024.html?utm>
- 2.<https://www.navios-mlp.com>
- 3.<https://www.globenewswire.com/news-release/2025/04/03/3055593/0/en/Navios-Maritime-Partners-L-P-Announces-the-Retirement-of-its-Vice-Chairman-Mr-Ted-Petrone.html?utm>

FINANCIALS & ANALYSIS - REVENUE



Revenue (Year-on-Year) | 1.53% Perpetual Growth Rate (Prev Year Growth Rate)



SOURCES

1.S&P Capital IQ Pro

FINANCIALS & ANALYSIS - FINANCIAL RATIOS



Monarch | Financial Ratio Analysis Sheet - Navios Maritime Partners L.P. (\$NMM) | NASDAQ | 21st April 2025



MONARCH
Equity Research

Leverage Ratios		
Ratio Name	Navios Maritime Par	Industry Average
Debt Ratio	0.45	0.50
Debt to Equity Ratio	0.83	0.75
Interest Coverage Ratio	4.00	5.00
Debt Service Coverage Ratio	2.46	2.50

Liquidity Ratios		
Ratio Name	Navios Maritime Par	Industry Average
Current Ratio	1.08	2.00
Quick Ratio	0.87	1.30
Acid-test Ratio		
Cash Ratio	0.73	0.25
Operating Cash Flow Ratio	1.22	2.00

Profitability Ratios		
Ratio Name	Navios Maritime Par	Industry Average
Gross Margin Ratio	83.24%	30.00%
Operating Margin Ratio	34.51%	15.00%
Net Margin Ratio	27.60%	10.00%
Return on Assets Ratio	5.07%	6.00%
Return on Equity Ratio	12.50%	14.00%

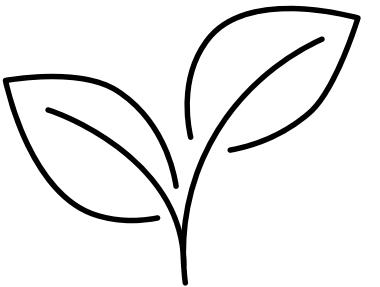
Efficiency Ratios		
Ratio Name	Navios Maritime Par	Industry Average
Asset Turnover Ratio	0.25	0.30
Inventory Turnover Ratio	6.35	4.00
Accounts Receivable Turnover Ratio	35.28	8.00
Days Sales in Inventory Ratio	N/A	75 Days

Market Ratios		
Ratio Name	Navios Maritime Par	Industry Average
Book Value per Share	\$100.99	\$30.00
Dividend Yield Ratio	0.61	3.00%
Earnings per Share Ratio	\$12.12	\$3.50
Price-Earnings Ratio	38.78	15.00

SOURCES

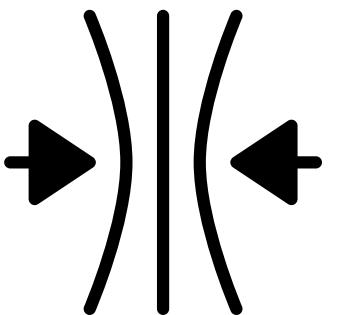
1.S&P Capital IQ Pro

INVESTMENT THESIS



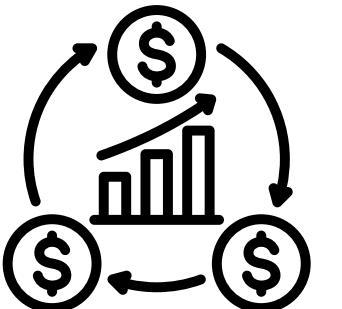
Growth through Fleet Modernization and Expansion

Navios Maritime Partners is positioning itself for long-term growth by modernizing its fleet with fuel-efficient, eco-friendly vessels that comply with environmental regulations. This fleet expansion enhances operational efficiency and allows the company to secure lucrative contracts. With the oil market significantly undervalued, due to historically low net futures exposure, NMM's modern fleet is well-positioned to capitalize on an eventual rebound in oil prices, driving revenue and cash flow growth.



Tanker Market Supply Squeeze

The global tanker fleet is experiencing a supply squeeze as a large portion of vessels are aging, and fewer new ships are being ordered. With the oil market oversold and tanker rates near lows, this tight supply situation is poised to benefit Navios Maritime Partners. As older tankers are scrapped and fewer new ships are delivered, NMM's modern fleet will be in high demand, leading to higher tanker rates and increasing profitability as oil prices rebound.



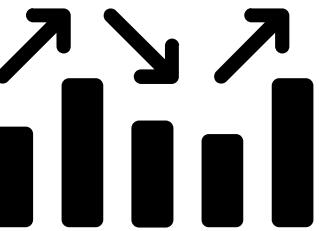
Strong Financial Health and Cash Flow

Navios Maritime Partners has demonstrated consistent financial strength with strong revenue, earnings, and cash flow. The company's solid performance, coupled with an efficient fleet and conservative dividend policy, ensures stability. With oil prices significantly undervalued and net futures exposure at historic lows, NMM is positioned to benefit from a market recovery, generating long-term growth and attractive returns for investors.

RISK & CATALYSTS

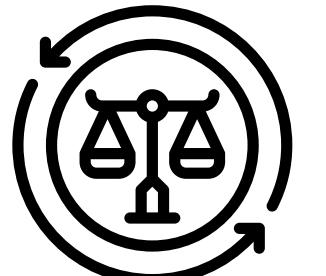


RISKS



Volatile Oil Prices

Oil prices can be highly volatile, influenced by geopolitical tensions, supply disruptions, or changes in global demand. A prolonged downturn in oil prices or an unexpected market shock could negatively impact Navios Maritime Partners' revenue, tanker rates, and profitability.



Regulatory and Environmental Risks

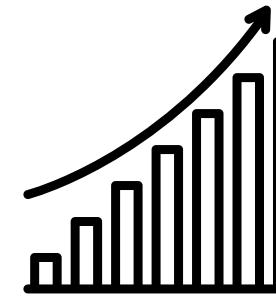
Increased environmental regulations could lead to higher compliance costs or force older vessels to be scrapped earlier than expected. Strict emissions standards could limit operational flexibility or require costly retrofits, potentially impacting profit margins.



Supply Chain Disruptions

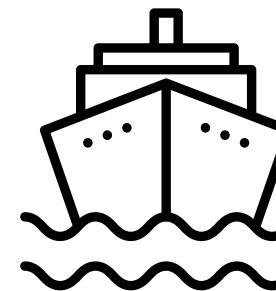
Disruptions in the global supply chain, such as port congestion or delays in vessel deliveries, could limit the ability of Navios Maritime Partners to capitalize on favorable market conditions. These delays could reduce fleet utilization and lead to missed revenue opportunities.

CATALYSTS



Oil Market Rebound

With oil prices currently undervalued and net futures exposure at historical lows, a rebound in oil prices would significantly boost tanker rates, improving profitability for Navios Maritime Partners. As oil demand increases globally, NMM is well-positioned to benefit from higher transportation rates.



Fleet Utilization and High Demand for Tankers

A tightening supply of tankers due to scrapping of older vessels and fewer new orders presents a favorable environment for Navios Maritime Partners. As demand for oil transportation rises, NMM's modern fleet will experience higher utilization, leading to better earnings and cash flow.



Strategic Partnerships and Fleet Expansion

Strategic acquisitions, partnerships, or fleet expansion efforts could enhance Navios Maritime Partners' market position. By adding modern vessels or forming alliances with key players, NMM can strengthen its competitive advantage and expand its market share.

VALUATIONS - DISCOUNT CASH FLOW



Calculations	
Growth Rate	1.53%



In Millions (m)

Discounted Cash Flow Model	2023	2024	2025	2026	2027	2028	2029
Operating Income	\$ 447.70	\$ 409.90	\$ 416.16	\$ 422.51	\$ 428.96	\$ 435.51	\$ 442.16
Less: Cash Taxes	\$ 7.00	\$ 6.50	\$ 6.60	\$ 6.70	\$ 6.80	\$ 6.91	\$ 7.01
Plus: Depreciation & Ammortization	\$ 350.10	\$ 347.50	\$ 352.81	\$ 358.19	\$ 363.66	\$ 369.21	\$ 374.85
Less: Capital Expenditure	\$ 465.00	\$ 430.00	\$ 436.56	\$ 443.23	\$ 450.00	\$ 456.87	\$ 463.84
Less: Changes in Net Working Capital	\$ (28.00)	\$ (31.00)	\$ (31.47)	\$ (31.95)	\$ (32.44)	\$ (32.94)	\$ (33.44)
Free Cash Flow	-	-	\$ 357.27	\$ 362.73	\$ 368.26	\$ 373.89	\$ 379.60
PV of Free Cash Flow	-	-	\$ 335.15	\$ 319.20	\$ 304.01	\$ 289.54	\$ 275.76
Shares Outstanding	29.49			Total Debt	\$ 2,130.00		
Intrinsic Value	\$ 175.73			Cash & Cash Equivalents	\$ 270.17		

WACC	6.60%
TV (PV)	\$ 5,518.57
EV (PV)	\$ 7,042.24

DCF Intrinsic Value Shows Undervaluation

Our DCF model reflects \$175.73 which is lesser than the current share price of \$32.58. This reflects Navios share price is overvalued as compared to its intrinsic value



Reasons for Undervaluation

Navios Maritime Partners is trading well below its intrinsic value of \$175.73 vs. a market price of \$32.58. With strong cash flows, a modern fleet, and exposure to a tightening tanker market, we believe NMM remains significantly undervalued.

SOURCES

1.S&P Capital IQ Pro

VALUATIONS - MULTIPLES APPROACH



Calculations	
Growth Rate	1.53%



In Millions (m)

Multiples Approach Model	2023	2024	2025	2026	2027	2028	2029
Net Income	\$ 433.60	\$ 367.30	\$ 372.91	\$ 378.60	\$ 384.38	\$ 390.25	\$ 396.21
Company		Share Price	Earnings Per Share	P/E Multiple			
Star Bulk Carriers		\$ 16.07	\$ 4.29		3.745920746		
Euroseas Ltd.		\$ 33.45	\$ 16.47		2.030965392		
Diana Shipping Inc.		\$ 1.81	\$ 0.05		36.2		
Safe Bulkers Inc.		\$ 3.80	\$ 0.60		6.333333333		
Danaos Corporation		\$ 60.00	\$ 20.27		2.960039467		
Shares Outstanding		29.49					
Calculated Share Price	\$ 100.08						

WACC
6.60%

Average P/E Multiple
10.25

PV of Valuation
\$ 2,951.43



MA Model Value Shows Undervaluation

Our MA model reflects \$100.08 which is lesser than the current share price of \$32.58. This reflects Navios' share price is overvalued as compared to its value



Reasons for Undervaluation

Navios Maritime Partners is undervalued, with our MA model indicating a fair value of \$100.08 versus the current share price of \$32.58. Given its strong operating metrics and market positioning, we believe the market is underpricing NMM's true value.

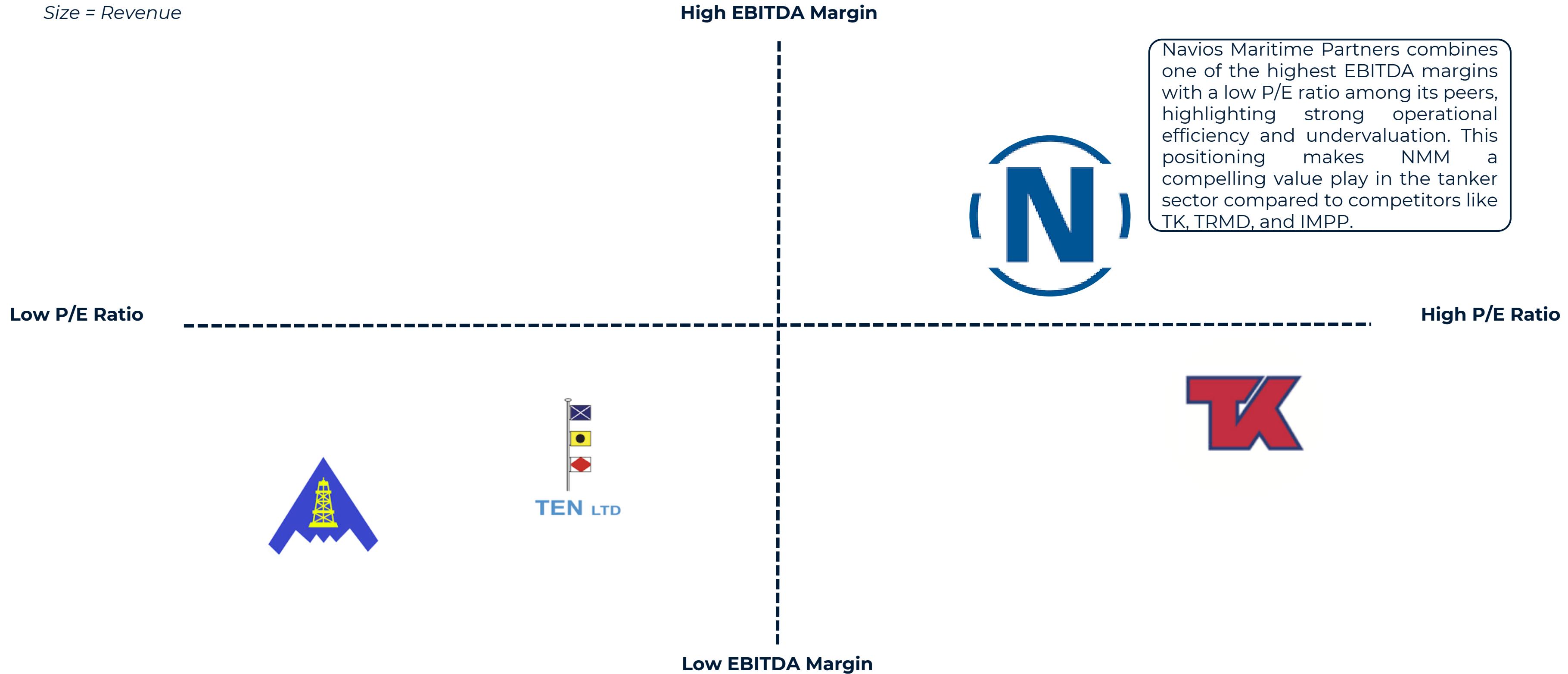
SOURCES

1.S&P Capital IQ Pro

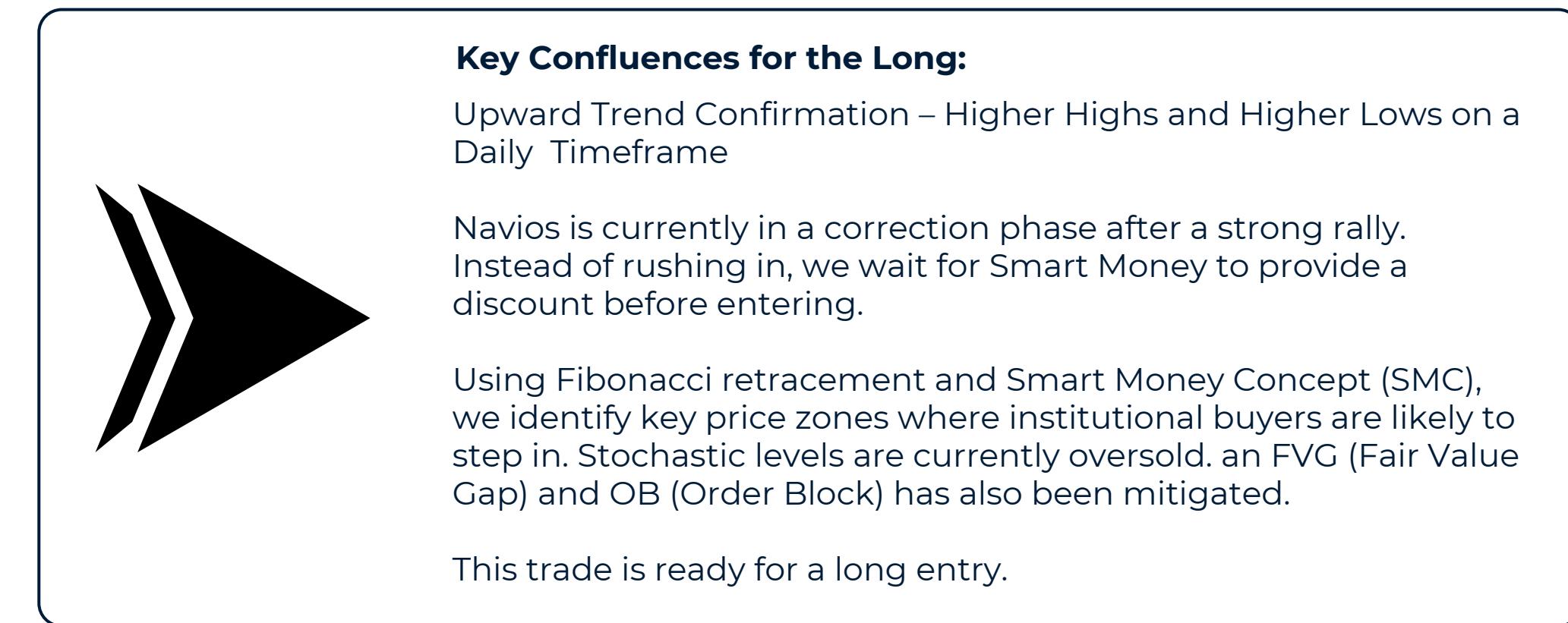
COMPARABLES ANALYSIS



Size = Revenue



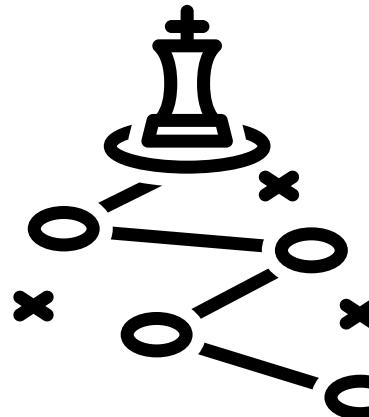
QUANTITATIVE - TECHNICAL ANALYSIS



QUANTITATIVE - TECHNICAL ANALYSIS



Possible Trading Strategy

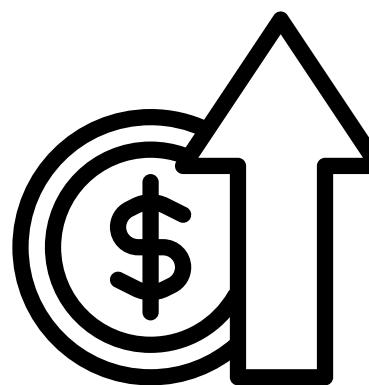


For a high-probability trade, we wait for price to reach the 0.618 - 0.79 Fibonacci retracement levels, where institutional traders prefer to enter.

Key Levels to Watch for Entry:

- 0.618 Retracement → \$38.27
- 0.706 Retracement → \$34.33
- 0.79 Retracement → \$30.57

Key Confluences for the Long:



Take Profit Levels:

- TP1: \$51.26 (0.328 Fib Level) – Minor resistance level for partial profits.
- TP2: : \$65.94 (0 Fib Level) – Key resistance level from all time highs.

QUANTITATIVE - RISK MANAGEMENT & MITIGATION



Risk Management Strategy

Entry Strategy – Layered Precision

We place limit orders at three key Fibonacci retracement levels to capture the best entries:

- 0.618 Fib Entry – A classic institutional entry point
- 0.706 Fib Entry – Where liquidity often sweeps before reversal
- 0.79 Fib Entry – Deep discount for maximum R:R

This allows us to scale into the position instead of going all-in at one level.

Stop Loss Logic – Tight & Tactical

We place stop losses below the 0.848 Fib or the swing low (1.0 Fib) depending on market structure:

- Use 0.848 if structure is clean and ranges are tight
- Use 1.0 if volatility demands a safer buffer

This flexibility adapts to market conditions while still keeping risk defined.

Risk Per Trade – Strict 1% Rule

We risk only 1% of total capital per trade, regardless of account size or conviction.

This ensures:

- Longevity in the market
- Controlled drawdowns
- Compounded growth over time

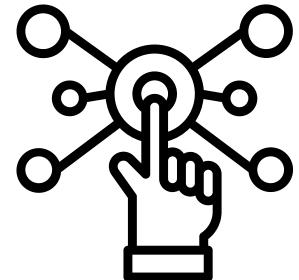


MONARCH WATCH

Financial Institutions & Investors
Division

DBS Bank (\$DBS) - SGX

FINANCIAL INSTITUTIONS & INVESTORS OVERALL LANDSCAPE



Digital Transformation

Digital Transformation: The sector is undergoing rapid digitisation, with mobile banking, AI-driven personalisation, and fintech partnerships reshaping customer engagement. Singapore's retail banking penetration for digital platforms exceeds 70%, with DBS leading through its "phygital" (physical-digital) strategy. Wealth management is a high-growth area, driven by Asia's rising affluent population, with assets under management (AUM) in the region projected to grow at a 10% CAGR through 2028.



Macroeconomic Environment

Asian economies, notably Singapore and Hong Kong, benefit from stable regulatory frameworks and high savings rates, supporting robust deposit growth. However, elevated interest rates (with Singapore's SORA and Hong Kong's HIBOR stabilising at higher levels post-2023) have increased borrowing costs, moderating loan demand in retail segments such as mortgages and personal loans. Inflationary pressures have driven cost-conscious consumer behaviour, boosting demand for value-driven financial products.



Competitive Landscape

Singapore's "Big Three" banks (DBS, OCBC, UOB) dominate retail banking, with DBS holding a leading share in consumer deposits (over 30%) and wealth management (SGD 426 billion AUM as of December 2024). Regional competitors like HSBC and Standard Chartered face challenges from local players with stronger digital ecosystems. Fintechs and neobanks (e.g., Revolut, Trust Bank) are gaining traction but remain niche in retail lending.

SOURCES

- 1.<https://www.dbs.com.sg/corporate/insights/digital-transformation-at-game-changing-moment> SAMPLE TEXT
- 2.<https://www.mckinsey.com/capabilities/mckinsey-digital/how-we-help-clients/rewired-in-action/dbs-transforming-a-banking-leader-into-a-technology-leader>

COMPANY OVERVIEW & KEY STATISTICS



Company Background

DBS Group Holdings Ltd, based in Singapore, is Southeast Asia's largest bank (SGD 739 billion assets, 2023), operating in 19 markets. Founded in 1968, it's 29% owned by Temasek Holdings, holds AA-/Aa1 ratings, and is named "Safest Bank in Asia" (2009–2024). A digital banking pioneer, 52% of 2023 income comes from high-ROE digital segments.

Unique Value Proposition

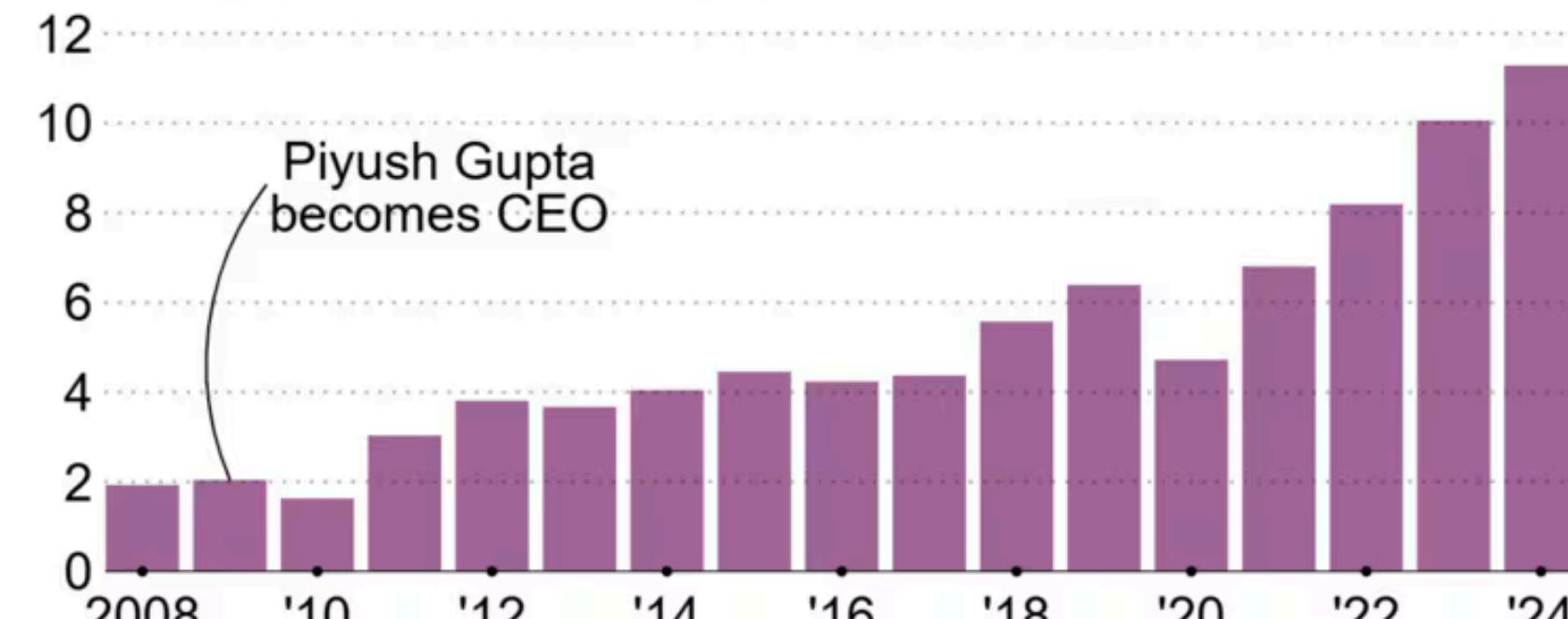
DBS Group Holdings Ltd (SGX: D05), Asia's top digital-first bank, excels with its "phygital" model (52% of income from high-ROE digital segments), AI-driven engagement, and SGD 426 billion AUM. Strategic regional acquisitions, a 15.8% ROE, 14.1% CET1 ratio, 1.1% NPL ratio, 4.8% dividend yield, and ESG leadership ensure robust growth and stability.

Company Offerings

DBS's Consumer Banking/Wealth Management serves 5 million clients with retail banking, cards, insurance, and SGD 426 billion AUM wealth management; Institutional Banking offers financing, trade, and advisory; Global Financial Markets provides treasury and capital markets solutions, all enhanced by an AI-driven "phygital" model.

DBS Group Holdings' net profit

(In billions of Singapore dollars)

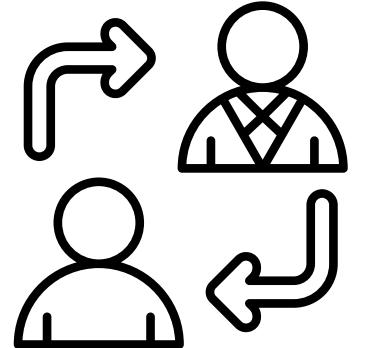


Source: Company disclosures

SOURCES

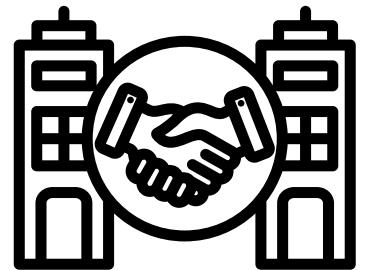
- 1.<https://asia.nikkei.com/Business/Finance/New-head-of-Singapore-s-DBS-grapples-with-weight-of-succession>
- 2.<https://www.dbs.com/careers/life-at-dbs/our-mission-values>

SIGNIFICANT UPDATES



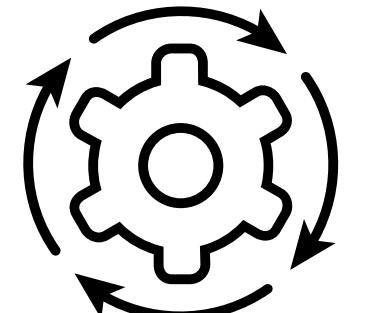
Leadership Transition and Strategic Continuity (March 2025):

Outgoing CEO Piyush Gupta, after 15 years, received a 56% pay increase to SGD 17.6 million (USD 13.2 million) for 2024, reflecting DBS's record profits and improved technology resilience. New CEO Tan Su Shan, a 35-year veteran and the first female CEO, signals continuity but openness to "bolt-on" acquisitions. Investor Implication: Tan's leadership will be scrutinised for maintaining DBS's digital edge and executing growth strategies. Investors must watch Tan's early moves, especially on acquisitions and digital investments.



Regional Expansion via Acquisitions (November 2024–March 2025):

DBS is pursuing aggressive growth, notably exploring a USD 460 million acquisition of Temasek's 29.1% stake in Malaysia's Alliance Bank (November 2024) and leading bids for a controlling stake in Indonesia's Panin Bank (March 2025). These follow successful integrations in Taiwan (Citigroup's consumer business, 2023) and India (Lakshmi Vilas Bank, 2021). Investors should monitor deal closures and integration progress for earnings impact.



Operational Resilience and Cybersecurity Challenges (April 2025):

A ransomware attack on a vendor exposed customer data, raising cybersecurity concerns, while DBS invested SGD 80 million to address 2023 software disruptions. The Monetary Authority of Singapore's SGD 1.6 billion capital surcharge (2023) and planned AI-driven job cuts (4,000 over three years) add operational and ESG risks. Investors must track DBS's resilience investments and regulatory outcomes.

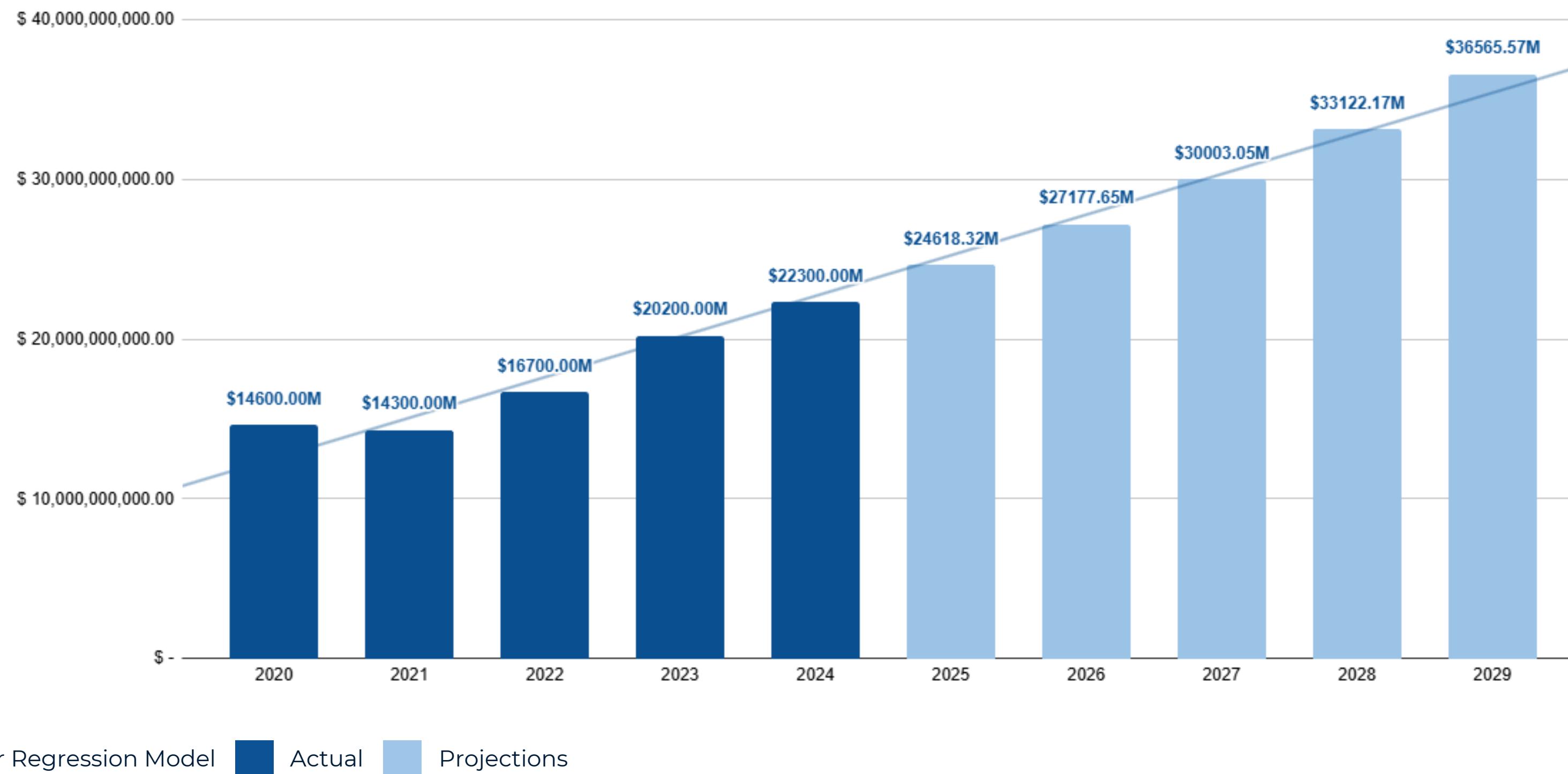
SOURCES

- 1.<https://www.bloomberg.com/news/newsletters/2025-03-08/singapore-s-dbs-bank-ceo-gets-56-pay-rise-ahead-of-leadership-transition>
- 2.<https://www.straitstimes.com/business/dbs-said-to-tap-goldman-sachs-to-help-find-insurance-partner-in-india-taiwan>
- 3.<https://www.thebanker.com/content/b9f79704-627a-5379-99a9-106ae3f349d8>

FINANCIALS & ANALYSIS - REVENUE



Revenue (Year-on-Year) | 10.40% Perpetual Growth Rate (Prev Year Growth Rate)



SOURCES

1.S&P Capital IQ Pro

FINANCIALS & ANALYSIS - FINANCIAL RATIOS



Monarch | Financial Ratio Analysis Sheet - DBS Bank Ltd. (\$DBS) | SGX | 21st April 2025



Leverage Ratios		
Ratio Name	DBS Bank Ltd.'s	Industry Average
Debt Ratio	0.06	0.92
Debt to Equity Ratio	0.94	9.00
Interest Coverage Ratio	N/A	1.50
Debt Service Coverage Ratio	-0.10	1.20

Liquidity Ratios		
Ratio Name	DBS Bank Ltd.'s	Industry Average
Common Equity Tier 1 Ratio	17.00%	13.00%
Liquidity Coverage Ratio	147.00%	100.00%
Net Stable Funding Ratio	115.00%	100.00%
Leverage Ratio	6.70%	3.00%

Profitability Ratios		
Ratio Name	DBS Bank Ltd.'s	Industry Average
Gross Margin Ratio	N/A	N/A
Operating Margin Ratio	58.39%	25.00%
Net Margin Ratio	52.08%	20.00%
Return on Assets Ratio	1.44%	1.00%
Return on Equity Ratio	17.23%	10.00%

Efficiency Ratios		
Ratio Name	DBS Bank Ltd.'s	Industry Average
Asset Turnover Ratio	N/A	N/A
Inventory Turnover Ratio	N/A	N/A
Accounts Receivable Turnover Ratio	N/A	N/A
Days Sales in Inventory Ratio	N/A	N/A

Market Ratios		
Ratio Name	DBS Bank Ltd.'s	Industry Average
Book Value per Share	\$23.38	\$42.10
Dividend Yield Ratio	4.99%	3.00%
Earnings per Share Ratio	\$3.94	\$2.89
Price-Earnings Ratio	10.36	13.00

SOURCES

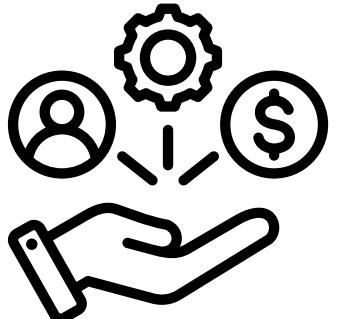
1.S&P Capital IQ Pro

INVESTMENT THESIS



Robust Economic Moat from Digital Leadership and Market Dominance:

Robust Economic Moat from Digital Leadership and Market Dominance:
DBS's "phygital" model, generating 52% of 2023 income from high-ROE digital segments, creates a formidable moat in Asia's competitive banking landscape. Its AI-driven personalisation and 3x higher income from digital clients enhance customer stickiness, while its SGD 426 billion AUM wealth management franchise capitalises on Asia's 10% CAGR wealth growth. As Southeast Asia's largest bank, with over 30% deposit share in Singapore and leadership in Hong Kong. This moat ensures consistent earnings power, supporting a 15.8% ROE and resilience against fintech disruption.



Prudent Capital Allocation via Strategic Acquisitions and Dividends:

DBS's management mirrors Buffett's disciplined capital deployment, balancing growth and shareholder returns. Strategic acquisitions—Taiwan's Citigroup consumer business (2023), India's Lakshmi Vilas Bank (2021), and potential stakes in Malaysia's Alliance Bank (November 2024) and Indonesia's Panin Bank (March 2025)—expand its footprint in high-growth markets, enhancing long-term cash flows. Coupled with a 4.8% dividend yield and a 14.1% CET1 ratio, DBS's capital strength allows flexibility for reinvestment or buybacks.



Attractive Valuation with Margin of Safety:

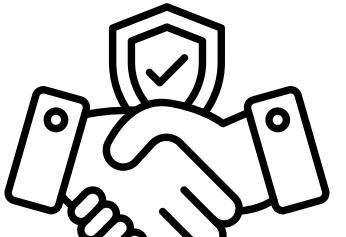
Trading at a P/E of 9.8x and P/B of 1.6x (April 2025), DBS offers a compelling risk-reward profile for a bank with a 1.1% NPL ratio and "Safest Bank in Asia" status (2009–2024). Its valuation is modest relative to its 15–17% ROE target and peer-leading digital capabilities, providing a margin of safety Buffett seeks in investments like Apple. Despite macro risks (e.g., rising rates, geopolitical tensions), DBS's diversified revenue (60% Singapore, 20% Hong Kong) and ESG alignment ensure stability, making it a "wonderful business at a fair price" with a target price of SGD 50 (11% upside).

SOURCES

- 1.<https://www.morningstar.com/stocks/xses/d05/quote>
- 2.<https://www.dbs.com/investors/financials/dividend-information>

RISKS

Disruptions Threatening Trust:



Recent incidents, including a vendor ransomware attack (April 2025) exposing customer data and 2023 software disruptions prompting a SGD 1.6 billion MAS capital surcharge, highlight operational vulnerabilities.



Loan Quality and Wealth Inflows:

Rising interest rates (SORA and HIBOR elevated post-2023) and potential economic slowdowns in export-driven Singapore and Hong Kong (80% of 2023 revenue) could pressure loan demand and increase credit costs (forecast at 17–20 bps in 2025).



Acquisition Overreach or Integration Failures:

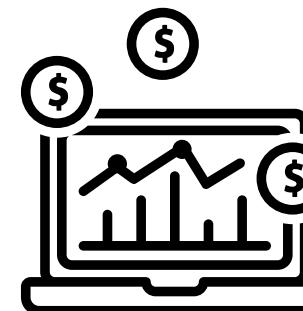
DBS's aggressive expansion—Taiwan (2023), India (2021), and potential stakes in Malaysia's Alliance Bank (November 2024) and Indonesia's Panin Bank (March 2025)—carries risks of overpaying or integration challenges.

CATALYSTS

Successful Regional Acquisitions:

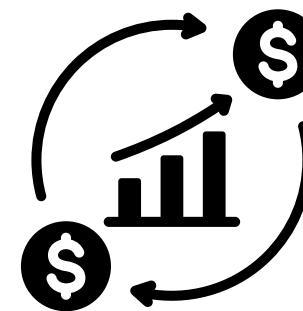


Closing deals like the USD 460 million Alliance Bank stake or Panin Bank acquisition could bolster DBS's presence in high-growth Southeast Asian markets, diversifying beyond Singapore (60% of revenue). With Asia's banking penetration rising, these moves could drive long-term cash flows. Investors should track deal announcements and integration milestones.



Digital Monetisation and WM Growth:

DBS's digital leadership, with 52% of income from high-ROE segments and AI-driven platforms generating 3x income from digital clients, positions it to capture Asia's 10% CAGR wealth market. Scaling hyper-personalised offerings and growing SGD 426 billion AUM could boost fee income, enhancing earnings durability.



Capital Returns via Dividends and Buybacks:

DBS's 4.8% dividend yield and February 2025 multi-billion-dollar capital return plans signal confidence in its 14.1% CET1 ratio and earnings (SGD 10.3 billion net profit in 2023). A supportive rate environment (stabilising SORA/HIBOR) could further enable capital flexibility. Investors should watch for capital allocation updates and dividend hikes.

SOURCES

- 1.<https://www.wealthbriefingasia.com/article.php/DBS-Apologises-For-Digital-Disruptions%2C-Views-Sweeping-Changes->
- 2.<https://www.dbs.com/insights/hk/en/asias-digital-economy.html>
- 3.<https://bankquality.com/blog/dbs-will-acquire-citis-consumer-banking-business-in-taiwan-/>

VALUATIONS - DIVIDEND DISCOUNT MODEL



Two-Stage Dividend Discount Model

Dividends Per Share (DPS) - Current Period \$ 2.11

Cost of Equity 9.15%



Stage 1 - High Growth Stage 2 - Perpetual Growth

Dividend Growth Rate (g): 7.50% 3%

Stage 1 Dividends

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Dividends Per Share (DPS)	\$ 2.11	\$ 2.27	\$ 2.44	\$ 2.62	\$ 2.82	\$ 3.03

Cost of Equity (Ke)	9.15%	9.15%	9.15%	9.15%	9.15%	9.15%
---------------------	-------	-------	-------	-------	-------	-------

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Present Value (PV) of Dividend	\$ 2.11	\$ 2.08	\$ 2.05	\$ 2.02	\$ 1.99	\$ 1.96

Share Price Calculation

PV of Sum of Stage 1 Dividends \$ 12.19

Year 5 Dividend x (1 + Stage 2 Growth Rate) \$ 3.12

Stage 2 Terminal Value \$ 50.73

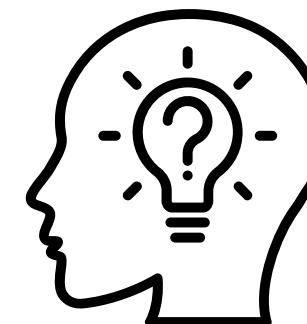
PV of Stage 2 Terminal Value \$ 32.75

Value Per Share (\$) \$ **44.94**



DDM Intrinsic Value Shows Undervaluation

Our DDM model reflects \$44.94 which is greater than the current share price of \$41.42. This reflects DBS share price is undervalued as compared to its intrinsic value.



Reasons for DBS's Undervaluation

DBS may be undervalued on a DDM basis as the market overlooks its strong fundamentals and steady cash flows amid short-term concerns. Its consistent performance and solid financials support a higher intrinsic value than its current price suggests.

SOURCES

1.S&P Capital IQ Pro

VALUATIONS - MULTIPLES APPROACH



Calculations	
Growth Rate	7.50%



In Millions (m)

Multiples Approach Model	2023	2024	2025	2026	2027	2028	2029
Net Income	\$ 20,162.00	\$ 22,297.00	\$ 23,969.28	\$ 25,766.97	\$ 27,699.49	\$ 29,776.96	\$ 32,010.23
Company	Share Price	Earnings Per Share	P/E Multiple				
Oversea-Chinese Banking Corporation Limited	\$16.25	\$1.67	9.73				
United Overseas Bank Limited	\$35.30	\$3.65	9.67				
Maybank Banking Berhad	\$9.98	\$0.84	11.88				
CIMB Group Holdings Berhad	\$6.86	\$0.72	9.53				
Shares Outstanding	2,839.00						
Calculated Share Price	\$ 62.13						

WACC
13.11%
Average P/E Multiple
10.20
PV of Valuation
\$ 176,398.83

MA Model Value Shows Undervaluation

Our MA model reflects \$62.13 which is greater than the current share price of \$42.42. This reflects DBS share price is undervalued as compared to its value.



Reasons for Undervaluation

DBS may be undervalued on a multiples basis if it's trading at lower ratios like P/E or P/B compared to similar peers. This implies the market may be underpricing its strong fundamentals, profitability, or growth potential.

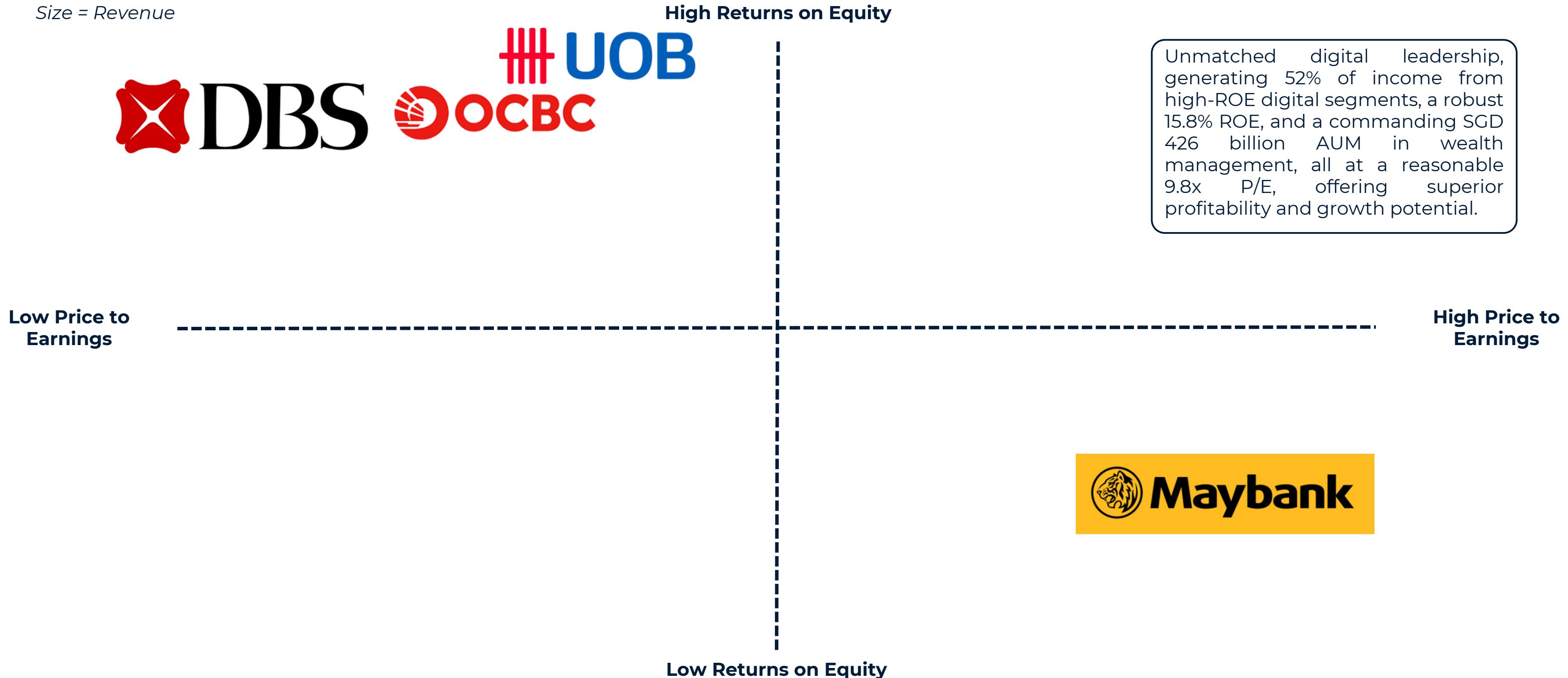
SOURCES

1.S&P Capital IQ Pro

COMPARABLES ANALYSIS



Size = Revenue



SOURCES

QUANTITATIVE - TECHNICAL ANALYSIS



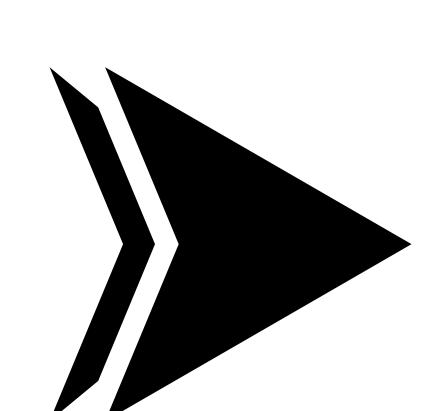


Monarch's Technical Prediction

Long

Price Targets:

- **\$42.43. \$47.01**



Key Confluences for the Long:

Upward Trend Confirmation – Higher Highs and Higher Lows on a Weekly Timeframe

DBS is currently in a correction phase after a strong rally. Instead of rushing in, we wait for Smart Money to provide a discount before entering.

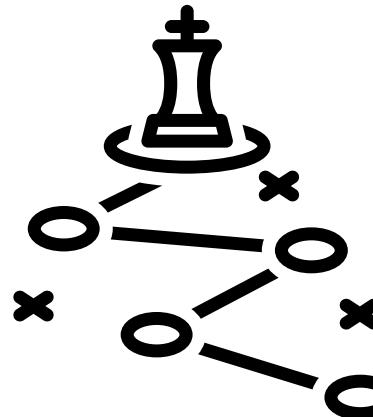
Using Fibonacci retracement and Smart Money Concept (SMC), we identify key price zones where institutional buyers are likely to step in.

The trade is NOT ready yet, but we are preparing for an optimal entry.

QUANTITATIVE - TECHNICAL ANALYSIS



Possible Trading Strategy



For a high-probability trade, we wait for price to reach the 0.618 - 0.79 Fibonacci retracement levels, where institutional traders prefer to enter.

Key Levels to Watch for Entry:

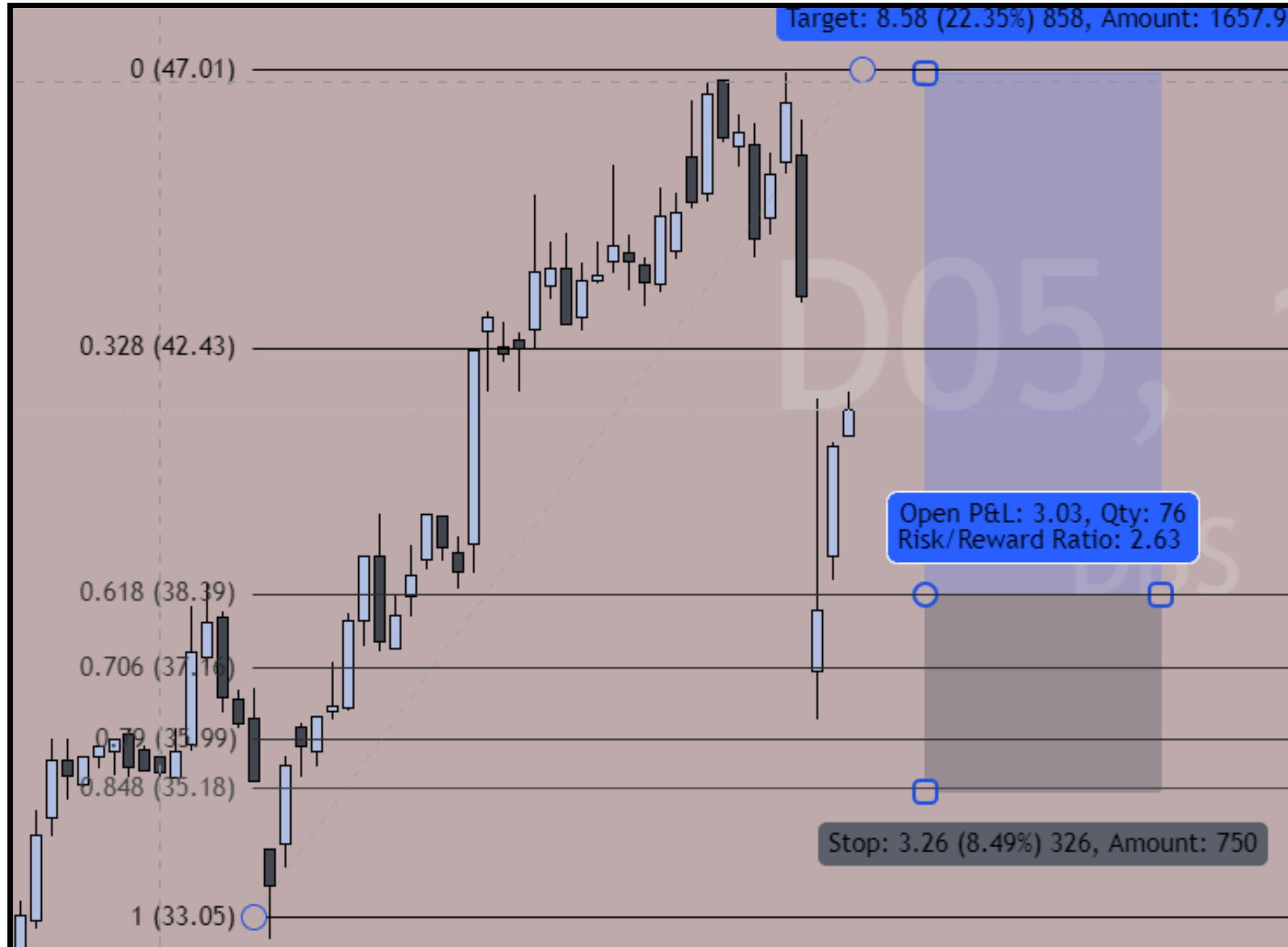
- 0.618 Retracement → \$38.39
- 0.706 Retracement → \$37.16
- 0.79 Retracement → \$35.98

Key Confluences for the Long:



Take Profit Levels:

- TP1: \$42.43 (0.328 Fib Level) – Minor resistance level for partial profits.
- TP2: \$47.01 (0 Fib Level) – All Time Highs



Risk Management Strategy

Entry Strategy – Layered Precision

We place limit orders at three key Fibonacci retracement levels to capture the best entries:

- 0.618 Fib Entry – A classic institutional entry point
- 0.706 Fib Entry – Where liquidity often sweeps before reversal
- 0.79 Fib Entry – Deep discount for maximum R:R

This allows us to scale into the position instead of going all-in at one level.

Stop Loss Logic – Tight & Tactical

We place stop losses below the 0.848 Fib or the swing low (1.0 Fib) depending on market structure:

- Use 0.848 if structure is clean and ranges are tight
- Use 1.0 if volatility demands a safer buffer

This flexibility adapts to market conditions while still keeping risk defined.

Risk Per Trade – Strict 1% Rule

We risk only 1% of total capital per trade, regardless of account size or conviction.

This ensures:

- Longevity in the market
- Controlled drawdowns
- Compounded growth over time

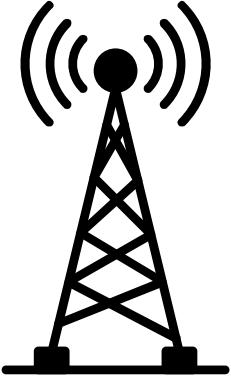


MONARCH WATCH

Technology, Media, &
Telecommunications Division

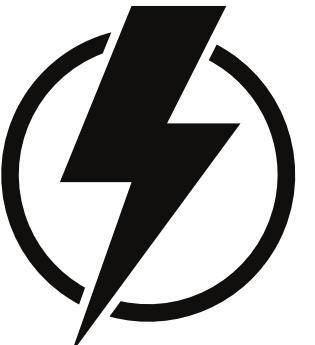
Qualcomm (\$QCOM) - NASDAQ

TECH, MEDIA, & TELECOMMS OVERALL LANDSCAPE



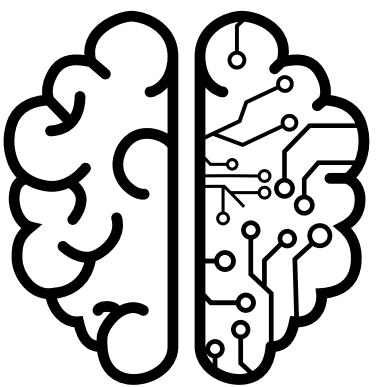
5G Rollout and Connected Ecosystems

With global 5G connections hitting 2.25 billion by Q3 2024, the global rollout of 5G is transforming how consumers engage with technology, unlocking faster, lower-latency experiences with smart devices. Companies like Qualcomm are enabling this shift by introducing modems that power real-time 5G connectivity in mobile phones to the likes of autonomous vehicles. As 5G adoption grows across regions like Asia-Pacific and Latin America, new opportunities are emerging in edge computing, fixed wireless access (FWA), and industrial IoT, fueling demand for Qualcomm's connectivity platforms.



Sustainable Innovation and Energy Efficiency

Sustainability is becoming a core focus in the tech industry, with consumers and regulators placing greater emphasis on energy-efficient hardware and environmentally conscious practices. Semiconductor companies are responding by developing low-power solutions optimized for on-device AI and longer battery life. Qualcomm, for instance, designs chipsets that prioritize thermal efficiency and carbon-aware processing for deployment in mobile, automotive, and IoT sectors. 5G technology, led by Qualcomm, is reported to be 10x more energy-efficient per gigabyte compared to its predecessor, 4G, contributing to sustainability efforts.



AI Integration and Edge Intelligence

Artificial intelligence is on the rise in consumer and industrial applications. In 2024, enterprise spending on generative AI applications surged to \$13.8 billion. With the proliferation of smart assistants, cameras, XR devices, and autonomous platforms, demand for on-device AI is surging. Qualcomm is addressing this by embedding AI into its Snapdragon platforms, enabling smarter, context-aware devices without relying on the cloud. From personalized smartphone interactions to AI-powered automotive systems, edge AI is shaping the next wave of real-time, responsive consumer experiences.

SOURCES

1. (Telecom Review, 2025)
2. (Staff, 2023)
3. (Bilski, 2025)

COMPANY OVERVIEW & KEY STATISTICS



Company Background

Qualcomm was founded in 1985 with a vision to deliver “QUALity COMMuniations” worldwide. It pioneered CDMA technology, laying the foundation for 3G and enabling the evolution to 4G and 5G. Nearly 40 years on, Qualcomm powers global connectivity and partners with major players like Samsung, Google, Mercedes-AMG, and Microsoft through its QCT and QTL segments.

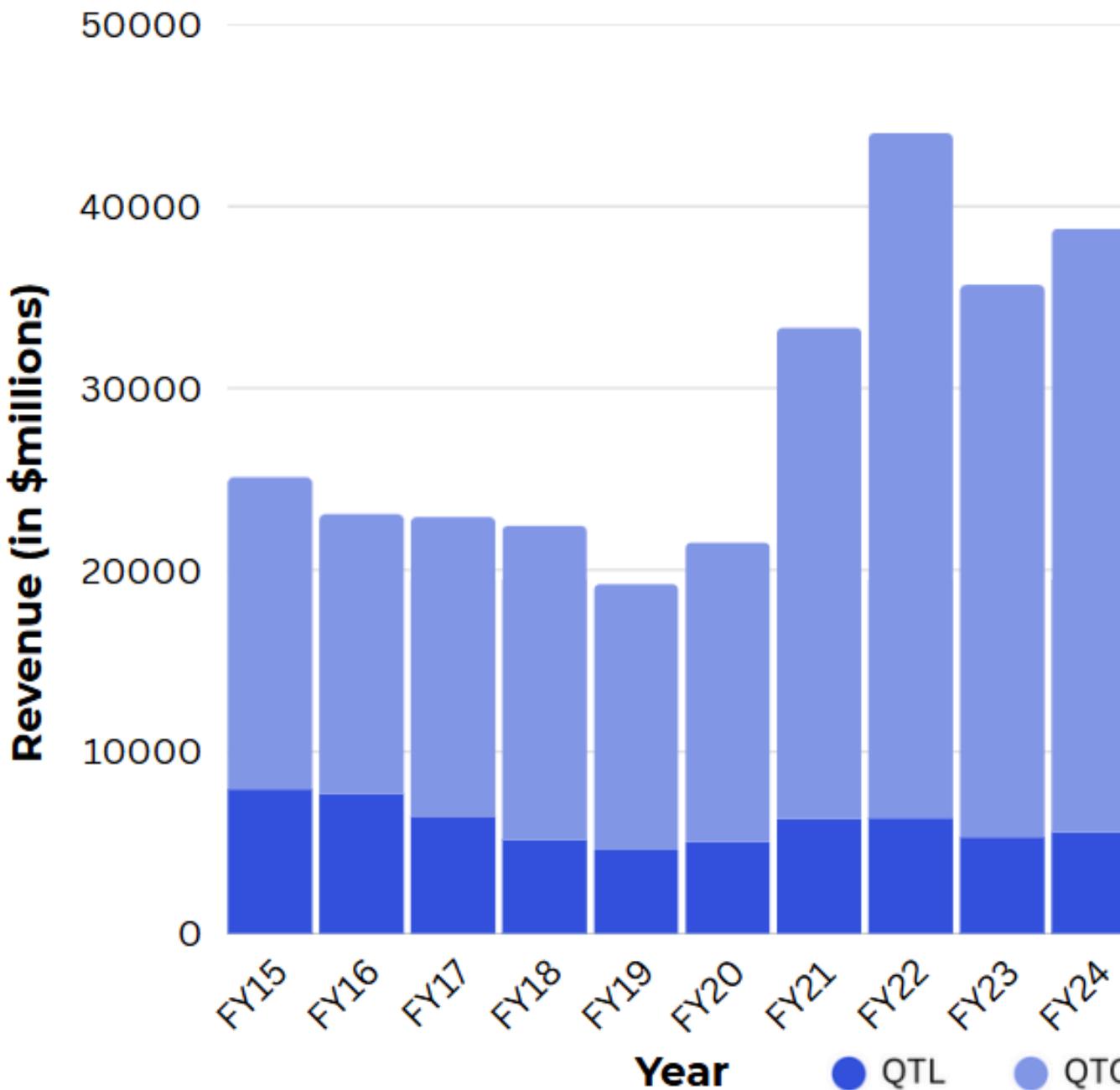
Unique Value Proposition

Qualcomm's unique value lies in delivering cutting-edge wireless technology, low-power AI, and high-performance connectivity across smartphones, automotive, IoT, XR, and PCs. Its broad chipset portfolio and open and transparent licensing model enable widespread innovation and strong partnerships with leaders like Google, Microsoft, and major automakers.

Company Offerings

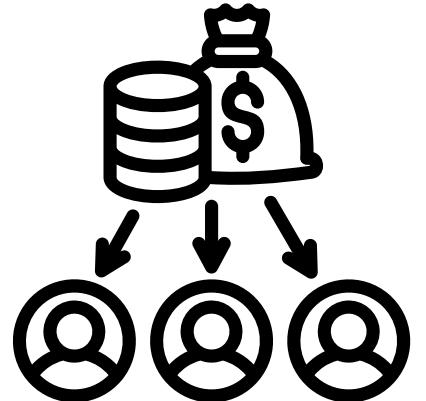
Qualcomm offers a wide range of products and platforms, primarily focusing on mobile technologies such as 5G, Wi-Fi, and AI, and IoT. Their core offerings include chipsets, System on a Chip (SoCs), connectivity solutions, and software optimized for wireless products. These technologies power a vast array of devices, from smartphones and tablets to IoT devices and industrial applications.

Segment Revenue across Fiscal Years 2015-2024



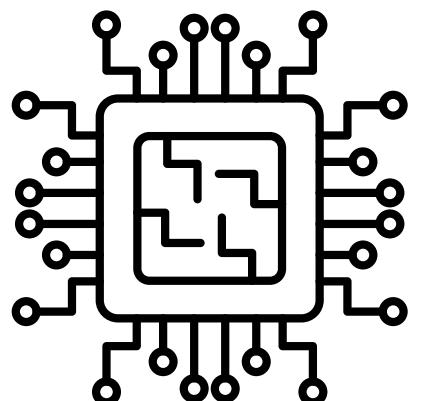
SOURCES

- 1.(Our Company, n.d.)
- 2.(Brand Value Builds Business Value, n.d.)
- 3.(Qualcomm Products, n.d.)
4. (Qualcomm Corporation, n.d.)



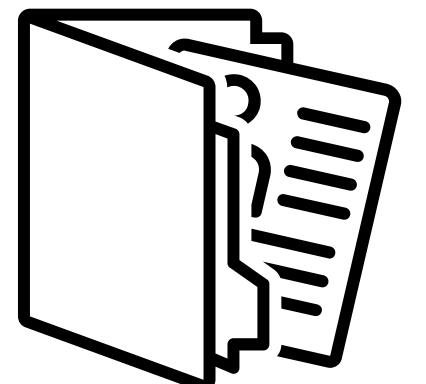
Dividend Announcement Increase

On 18 April 2025, Qualcomm announced a quarterly cash dividend of \$0.89 per common share, a 4.7% increase from previous dividend payout. This dividend will be payable on June 26, 2025 to common stockholders. The increase in cash dividend highlights recovery in earnings this year.



Introduction of Qualcomm X85

Qualcomm introduced Qualcomm X85 not only for android smartphones but also PCs, FWA points, automotive, and XR. This modem enables devices to connect to 5G in the fastest, most battery-efficient and reliable way. Telecommunication firms such as China Telecom, China Mobile, T-Mobile, and Verizon stand by the value that Qualcomm X85 provides in terms of 5G connectivity. Future plans also include the Qualcomm X82 5G Modem-RF which is optimized for widespread use in mobile broadband applications, delivering multi-gigabit download and upload speeds. These modems are expected to be released in the second half of 2025.



Qualcomm Announces Dragonwing Portfolio

Qualcomm announces Dragonwing portfolio, giving its new suite of products a unique identity and showcasing its ability to diversify its offerings to various industries outside of just smartphones. This portfolio enables growth within companies through industrial and embedded IoT, networking and cellular infrastructure solutions which are embedded into softwares and hardwares. By offering AI, connectivity with high-performance and low-power computing, firms can look to receive smarter decision-making, greater efficiency in operations and a boost in their time-to-market, allowing firms to gain a competitive edge in evolving markets such as energy and manufacturing.

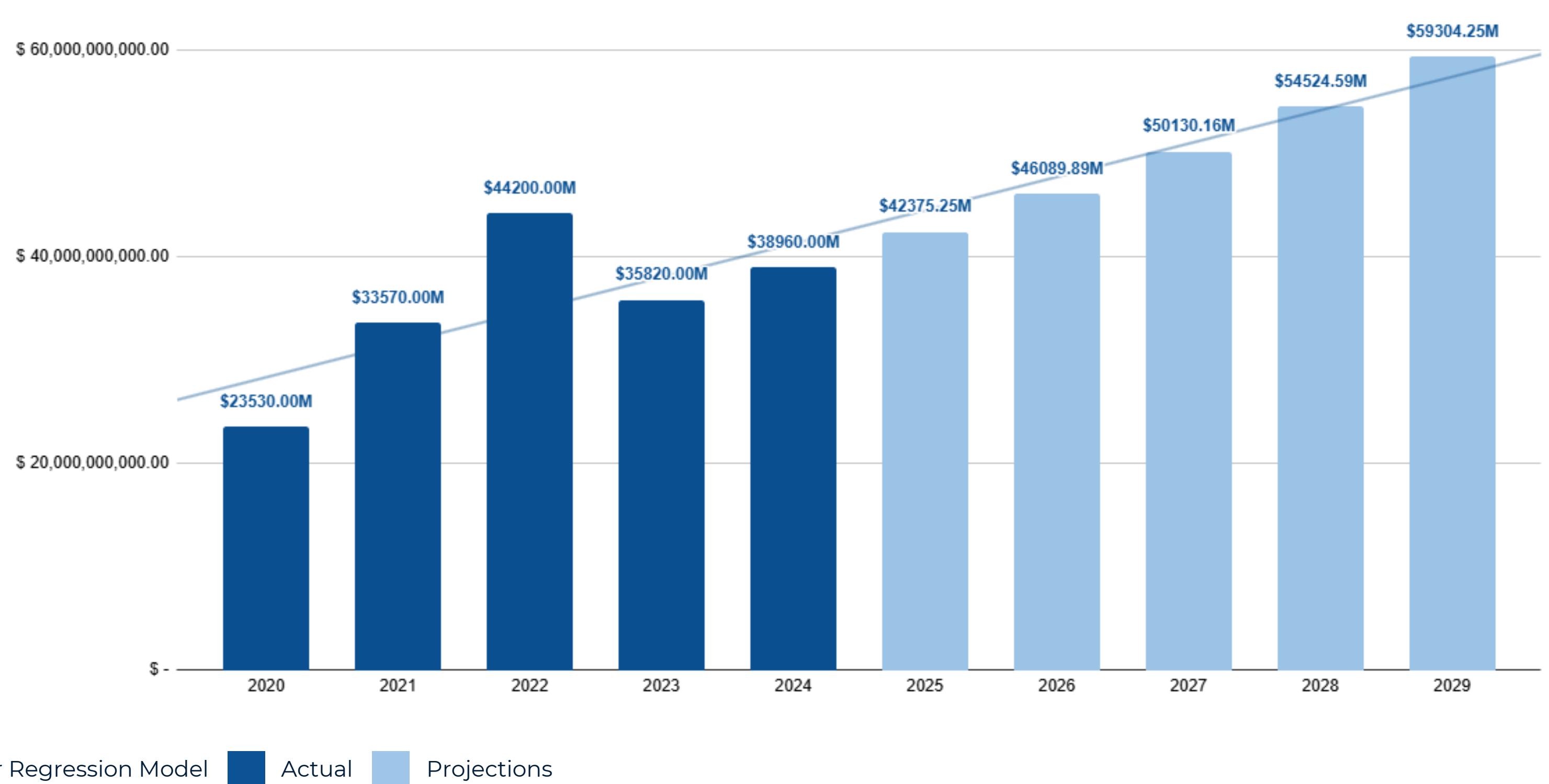
SOURCES

- 1.(Qualcomm Announces Quarterly Cash Dividend, n.d.)
- 2.(Introducing Qualcomm X85, the World's Leading Modem-RF for Unprecedented 5G Speeds and Intelligence | Qualcomm, n.d.)
- 3.(Unveiling the Qualcomm Dragonwing Brand Portfolio: Solutions for a New Era of Industrial Innovation | Qualcomm, n.d.)

FINANCIALS & ANALYSIS - REVENUE



Revenue (Year-on-Year) | 8.77% Perpetual Growth Rate (Prev Year Growth Rate)



SOURCES

1.S&P Capital IQ Pro

FINANCIALS & ANALYSIS - FINANCIAL RATIOS



Monarch | Financial Ratio Analysis Sheet - Qualcomm (NASDAQ: QCOM) | NASDAQ | 20/4/25



Leverage Ratios		
Ratio Name	Qualcomm's	Industry Average
Debt Ratio	0.52	0.42
Debt to Equity Ratio	1.10	0.67
Interest Coverage Ratio	14.45	8.83
Debt Service Coverage Ratio	0.69	0.11

Liquidity Ratios		
Ratio Name	Qualcomm's	Industry Average
Current Ratio	2.40	2.96
Quick Ratio	1.12	1.90
Acid-test Ratio	1.12	1.90
Cash Ratio	1.79	1.42
Operating Cash Flow Ratio	1.16	1.32

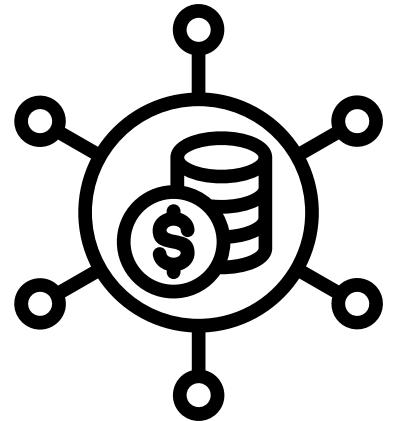
Profitability Ratios		
Ratio Name	Qualcomm's	Industry Average
Gross Margin Ratio	56.21%	42.20%
Operating Margin Ratio	25.85%	10.70%
Net Margin Ratio	26.03%	5.90%
Return on Assets Ratio	18.39%	3.30%
Return on Equity Ratio	38.60%	5.60%

Efficiency Ratios		
Ratio Name	Qualcomm's	Industry Average
Asset Turnover Ratio	0.71	0.58
Inventory Turnover Ratio	2.66	6.52
Accounts Receivable Turnover Ratio	9.92	3.23
Days Sales in Inventory Ratio	137.42	113.00

Market Ratios		
Ratio Name	Qualcomm's	Industry Average
Book Value per Share	\$24.32	\$20.80
Dividend Yield Ratio	2.49%	0.46%
Earnings per Share Ratio	\$10.22	\$3.63
Price-Earnings Ratio	15.29	42.90

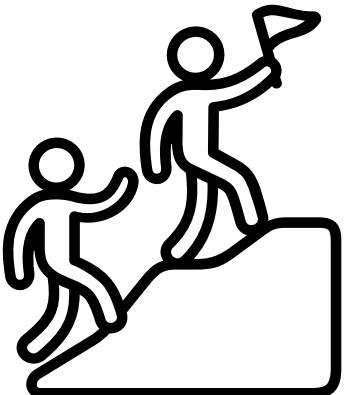
SOURCES

1.S&P Capital IQ Pro



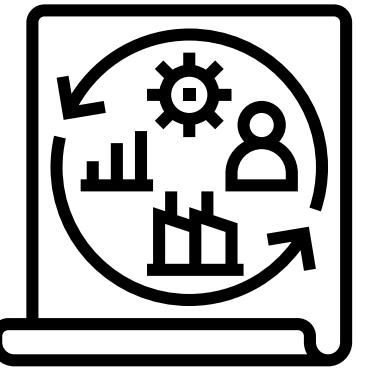
Strong Diversification in Revenue Streams

Qualcomm has expanded beyond the smartphone landscape into other industries such as automotive, IoT and AI sectors, bringing their solutions that mainly revolves around AI, IoT and connectivity to varied industries such as Industrials, Retail, and Automotive. Through diversifying its revenue streams, Qualcomm greatly reduces its exposure to geopolitical and economic disruptions in any single market. With 20% of its revenue invested into Research and Development (R&D) annually, Qualcomm has proven its constant dedication in investing into R&D to diversify its revenue streams. Thus, Qualcomm's relentless innovation spirit has given them access to emerging markets, spreading their focus to various industries.



Technological Leadership

Qualcomm has spearheaded the development and commercialisation of 5G technology, establishing its presence in the mobile technology market. Through starting development of 5G early, collaborating with other organisations such as network providers and getting their technology patented, Qualcomm pushed for the global standard of 5G for widespread adoption with lucrative revenue streams. Its patented innovations, millimeter wave (mmWave) and Multiple Input Multiple Output (MIMO), which delivers ultra-fast data speeds and seamless network efficiency, have been the core of their 5G technology products such as the Snapdragon X85, amongst many others.



Lucrative Licensing Business Model

Qualcomm also has a major cash flow engine for the firm. Their high-margin licensing business, known as QTL (Qualcomm Technology Licensing) consistently generates between \$6 to \$7 billion annually with minimal capital investment. Operating at margins of approximately 70–80%, QTL provides predictable and recurring revenue through over 300 licensing agreements with over 18B devices benefitting from the patents. Qualcomm has 160,000 granted and pending patents covering critical cellular standards across 3G, 4G, and 5G technologies in more than 100 regions worldwide. This segment not only delivers robust profitability but also plays a strategic role in funding Qualcomm's R&D and pushing for worldwide adoption of its solutions.

SOURCES

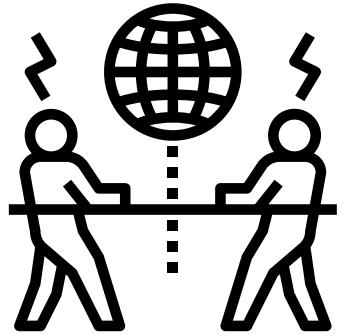
- 1.(Invention, n.d.)
- 2.(Tran, 2025)
- 3.(Qualcomm Technology Licensing, n.d.)

RISKS



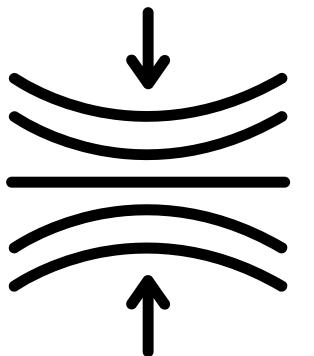
Loss of Clients who Switch to In-house Production

Qualcomm faces rising customer concentration risk as Apple pushes to develop its own 5G modems, including the new C1 chip for iPhone 16e. Despite a supply deal through 2026, Apple's shift toward modem independence could cut into Qualcomm's revenue, highlighting the importance of diversifying into automotive, IoT, and computing markets.



Geopolitical Tensions

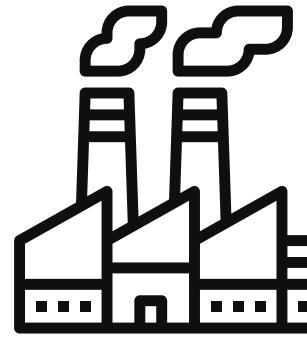
Qualcomm faces geopolitical risk with ~46% of revenue from China. While current tariffs don't directly impact it, rising US-China tensions and retaliatory tariffs pose demand risks. Qualcomm's use of TSMC offers some protection, but it is still diversifying into automotive, IoT, and PCs, targeting \$22B in revenue by 2029.



Competitive Pressure

Qualcomm faces strong competition from MediaTek, Intel, and Samsung, impacting its market share and revenue. MediaTek, with aggressive pricing and fast product rollouts, leads the global smartphone chipset market with 35% share versus Qualcomm's 25%. This intensifies pressure on Qualcomm to innovate and diversify for sustained growth.

CATALYSTS



Upcoming and Digitally Expanding Industries

Demand for connected and autonomous vehicles is rising, and Qualcomm's Snapdragon Digital Chassis, a comprehensive suite for telematics, digital cockpits and connectivity, positions it as a leader in automotive tech. As of FY2024, it secured over \$30B in design wins from automakers like BMW, GM, and Mercedes-Benz, supporting long-term growth.



Growing Consumer and Enterprise Trends

Globally, the surge in AI adoption, especially generative AI and edge AI, is pushing demand for processors that can run complex models locally. Qualcomm's on-device AI solutions are well-positioned to serve markets that demand real-time processing, privacy, and efficient energy usage, such as in mobile, automotive, and industrial IoT.



Global Interest in 5G Adoption

Many countries are still in the early-to-mid stages of 5G rollout with high global interest. According to GSMA Intelligence, by 2030, 5.5 billion devices will be connected to 5G. As 5G adoption spreads, demand for Qualcomm's modem-RF systems and 5G-enabled chipsets will rise across smartphones, FWA, and industrial applications, driving revenue growth.

SOURCES

- 1.(Bloomberg, 2024)
- 2.(Lightreading, n.d.)
- 3.(Qualcomm expects to make \$22 billion by 2029, 2024)

4. (Bloomberg, 2024)
5. (Statista, 2025)
6. (GSMA, 2024)

VALUATIONS - DISCOUNT CASH FLOW



Calculations	
Growth Rate	8.00%



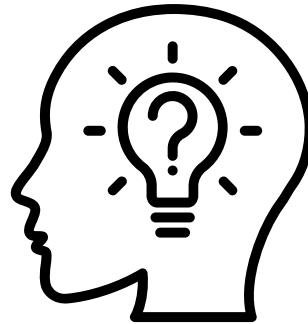
In Millions (\$)

Discounted Cash Flow Model	2023	2024	2025	2026	2027	2028	2029
Operating Income	\$ 7,788.00	\$ 10,071.00	\$ 10,876.68	\$ 11,746.81	\$ 12,686.56	\$ 13,701.48	\$ 14,797.60
Less: Cash Taxes	\$ 1,400.00	\$ 3,300.00	\$ 3,564.00	\$ 3,849.12	\$ 4,157.05	\$ 4,489.61	\$ 4,848.78
Plus: Depreciation & Ammortization	\$ 1,809.00	\$ 1,706.00	\$ 1,842.48	\$ 1,989.88	\$ 2,149.07	\$ 2,320.99	\$ 2,506.67
Less: Capital Expenditure	\$ 1,450.00	\$ 1,041.00	\$ 1,124.28	\$ 1,214.22	\$ 1,311.36	\$ 1,416.27	\$ 1,529.57
Less: Changes in Net Working Capital	\$ 1,148.00	\$ 1,223.00	\$ 1,320.84	\$ 1,426.51	\$ 1,540.63	\$ 1,663.88	\$ 1,796.99
Free Cash Flow	-	-	\$ 6,710.04	\$ 7,246.84	\$ 7,826.59	\$ 8,452.72	\$ 9,128.94
PV of Free Cash Flow	-	-	\$ 5,973.51	\$ 5,743.25	\$ 5,521.86	\$ 5,309.01	\$ 5,104.36
Shares Outstanding	1,099.00						
			Total Debt	\$ 13,270.00			
Intrinsic Value	\$ 227.41				Cash & Cash Equivalents	\$ 7,849.00	

WACC	12.33%
TV	\$ 227,696.31
EV	\$ 255,348.29

DCF Intrinsic Value Shows Undervaluation

Our DCF model reflects \$227.41 which is greater than the current share price of 136.66. This reflects Qualcomm share price is undervalued as compared to its intrinsic value.



Reasons for Undervaluation

Qualcomm's share price does not fully reflect the strength of its projected free cash flows and robust earnings growth. Despite consistent profitability, market sentiment may undervalue long-term drivers like automotive expansion and AI integration.

SOURCES

1.S&P Capital IQ Pro

VALUATIONS - MULTIPLES APPROACH



Calculations	
Growth Rate	8.00%



In Millions (m)

Multiples Approach Model	2023	2024	2025	2026	2027	2028	2029
Net Income	\$ 35,820.00	\$ 38,962.00	\$ 42,078.96	\$ 45,445.28	\$ 49,080.90	\$ 53,007.37	\$ 57,247.96
Company		Share Price	Earnings Per Share	P/E Multiple			
MediaTek Inc.		\$1,345.00	\$66.92	20.09862522			
Intel Corporation		\$18.93	\$6.00	3.155			
Apple Inc.		\$196.98	\$6.75	29.18222222			
Samsung Electronics Co., Ltd.		₩55,400	₩4,950	11.19191919			
NVIDIA Corporation		\$101.49	\$11.93	8.507124895			
Shares Outstanding	1,099.00						
Calculated Share Price	\$ 420.20						

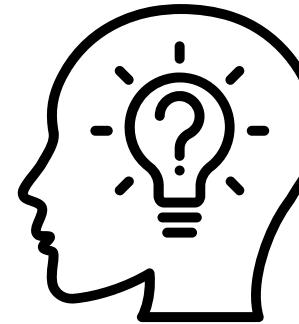
WACC
12.33%

Average P/E Multiple
14.43

PV of Valuation
\$ 461,802.84

MA Model Value Shows Undervaluation

Our MA model reflects \$420.20 which is greater than the current share price of \$136.66. This reflects Qualcomm share price is undervalued as compared to its value.



Reasons for Undervaluation

Despite operating in high-growth sectors like 5G and AI, Qualcomm remains underappreciated compared to big players like NVIDIA and Apple. It offers high profitability at a significant valuation discount, highlighting its undervaluation in the TMT space.

SOURCES

1.S&P Capital IQ Pro

COMPARABLES ANALYSIS

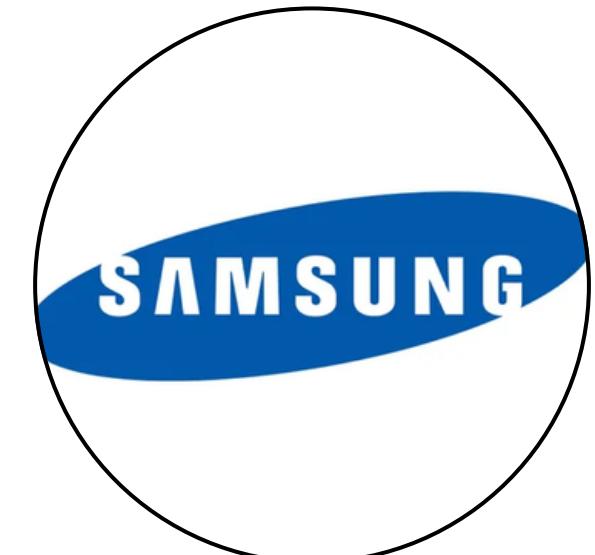
Qualcomm

Size = Revenue

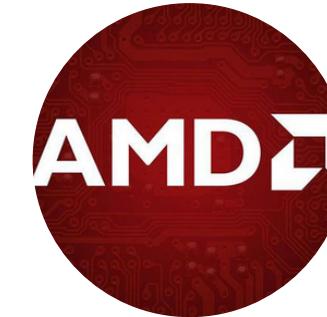
High Return on Equity (ROE)



Low P/E



High P/E

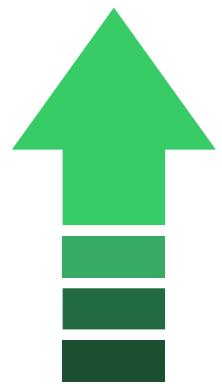


Low Return on Equity (ROE)

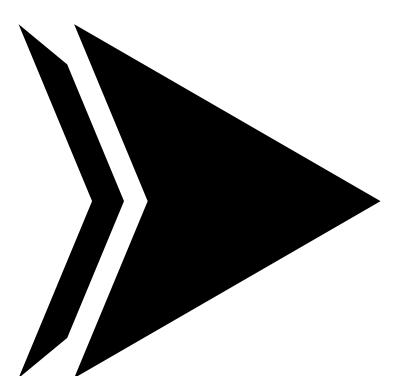
Qualcomm is a market leader in 5G and edge AI with a 38.6% ROE, 14x P/E. It is undervalued with low P/E despite high profitability when compared to its peers.

SOURCES

1.S&P Capital IQ Pro



Monarch's Technical Prediction
Long
Price Targets:
 • **\$190.22, \$230.78**



Key Confluences for the Long:

Upward Trend Confirmation – Higher Highs and Higher Lows on a Weekly Timeframe

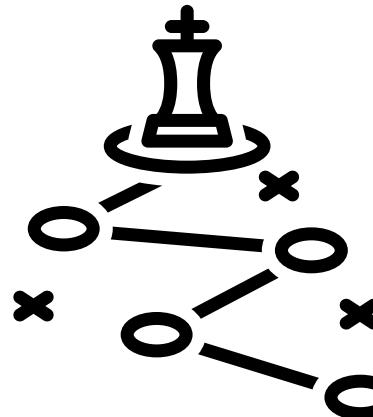
Qualcomm is currently in a correction phase after a strong rally. Instead of rushing in, we wait for Smart Money to provide a discount before entering.

Using Fibonacci retracement and Smart Money Concept (SMC), we identify key price zones where institutional buyers are likely to step in.

The trade is ready for a long entry



Possible Trading Strategy

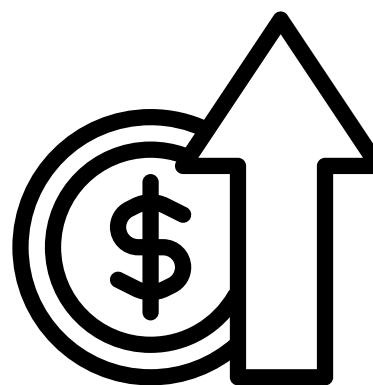


For a high-probability trade, we wait for price to reach the 0.618 - 0.79 Fibonacci retracement levels, where institutional traders prefer to enter.

Key Levels to Watch for Entry:

- 0.618 Retracement → \$154.36
- 0.706 Retracement → \$143.48
- 0.79 Retracement → \$132.86

Key Confluences for the Long:



Take Profit Levels:

- TP1: \$190.22 (0.328 Fib Level) – Minor resistance level for partial profits.
- TP2: \$230.78 (0 Fib Level) – Key resistance level from all time high zones.

QUANTITATIVE - RISK MANAGEMENT & MITIGATION

Qualcomm



Risk Management Strategy

Entry Strategy – Layered Precision

We place limit orders at three key Fibonacci retracement levels to capture the best entries:

- 0.618 Fib Entry – A classic institutional entry point
- 0.706 Fib Entry – Where liquidity often sweeps before reversal
- 0.79 Fib Entry – Deep discount for maximum R:R

This allows us to scale into the position instead of going all-in at one level.

Stop Loss Logic – Tight & Tactical

We place stop losses below the 0.848 Fib or the swing low (1.0 Fib) depending on market structure:

- Use 0.848 if structure is clean and ranges are tight
- Use 1.0 if volatility demands a safer buffer

This flexibility adapts to market conditions while still keeping risk defined.

Risk Per Trade – Strict 1% Rule

We risk only 1% of total capital per trade, regardless of account size or conviction.

This ensures:

- Longevity in the market
- Controlled drawdowns
- Compounded growth over time



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