**General trends of each company (AS OF FEB 19)**

**FINANCIAL STOCKS**

AXP (American Express Company)

Currently at a 9.3% increase past 6 months, generally increasing stock prices. One huge drop in 2008-9, 15-16. **Great potential growth. Working on several growth strategies, including building business to business presence and retooling current cards to meet consumer needs, such as with a redefinition of membership with new benefits, customized rewards etc., increasing fee-based products by 19% in late 2019. AXP has a direct niche strategy to gain customers, also possibly rolling out a new credit card geared toward smaller start-ups to meet competition as the industry changes.**

JPM (JPMorgan Chase & Co)

Currently at a 25.7% increase past 6 months, a small decrease of 2.4% from the start of 2020, generally increasing stock prices, no huge drops. **Huge potential growth. Interest rates expected to remain low, putting pressure on net interest income, but was able to mitigate some of that headwind with a net interest income of +2% year over year, net income at 9.1B USD, up 8% year to year. Return on equity stayed at a good 15% or better. JPM is investing in technology and in the process of opening 400 new branches in the short term, requiring extra resources but may yield potentially huge returns/profit in the future. According to data, investors should continue to assign a premium valuation to the stock relative to the industry for its consistent above-average returns on equity. *Planning to modernize how customers access their data, they’re beginning to block automated access to customer accounts after July 30, 2020, requiring any fintech apps or aggregators to instead use an API that exposes limited information authorized by the bank customer, inherently more secure when accessing data.***

GS (Goldman Sachs Group Inc.)

17.17% increase past 6 months, small 1.11% increase since start of 2020, generally increasing stock prices with huge drops in 2007-8, 11-12, 17-18. **Huge potential growth. Massive 1.1B USD legal charge in fourth quarter of 2019, however numbers look very strong all around. Trading revenue rebounded sharply, asset management generated more than expected, consumer banking business continues to grow rapidly despite lower interest rates putting pressure on margins. Fourth quarter of 2019, GS generated 9.96B USD in revenue, 23% more than a year ago and 1.4B USD more than analysts looking for -> could spark more potential shareholders due to a higher than expected value. 7.64 USD per share value, which is 2 USD more than expectations. Bond trading revenue spiked by 63%, equities trading revenue by 12%. Asset management revenue increased by 52% to 3B USD, fueled by strong performance of stock market and private equity holdings in 2019. Planning to focus on reorganizing business to reflect its growing focus on consumer banking; its success of the Marcus savings and lending platform and external factors such as the release of the Apple Card are potential growths. Has lots of room to grow in the coming years. Currently no.1 in market share for M&A deals, as well as in equity and common stock offerings.**

DB (Deutsche Bank AG)

51.1% increase past 6 months, 27.9% increase from start of 2020, huge decrease of 67.5% past 5 years, 93.3% decrease since 2007, generally decreasing trend (high of 159.6 USD in 2007 and currently 10.65 USD), **potentially bankrupt soon, majority of shareholders withdraw, losses of up to 3.4B EUR in 2019’s quarters, 900+ jobs already lost and 18000 jobs are supposedly to be lost by 2022, cost of restructuring 6B EUR, Capital Group disclosed 3.1% stake making it 3rd largest shareholder for DB. Potential regrowth but very unlikely to attract huge amount of shareholders back due to very weak stock growth.**

**INFORMATION TECHNOLOGY STOCKS**

MSFT (Microsoft Corporation)

35.33% increase past 6 months, steep incline in start of 2020 yielding a 16.6% growth from Jan 2020, huge 327.06% growth past 5 years, 2016-2020 steepest incline, with constant stock prices from the 2001-2015 period (only 18.2 USD growth). **Long term growth opportunities (especially in intelligent Cloud segment as large business migrate data systems over to the cloud), double-digit growth in Office 365 subscriptions, of up to 25% increase year to year, potential growth in gaming sector with the release of Xbox Series X and cloud gaming -> Could be multi-billion opportunity. Potential growth to slow down in 2020 but could rise up later.**

FB (Facebook Inc.)

(NASDAQ)

18.37% increase past 6 months, calm 3.72% incline since start of 2020 with a 7% decline from 29 to 31 Jan, huge 172.4% increase past 5 years with a huge 40% decline from July to Dec 2018 bringing stock prices down by 85 USD from 209 to 124 USD. 34% increase past year.

FRA (FB2A)

21.57% increase past 6 months, calm 0.82% incline since start of 2020, 10.03% drop from 29 to 31 Jan, 187% increase past 5 years with 37.8% decline from Jul to Dec 2018 dropping stock prices by 61 USD from 179 to 118 USD. 42.5% increase past year.

**In 23018, stocks dropped largely because of the fallout of a string of data-privacy scandals and the threat that the company would be subject to increased regulation from government bodies. To drive back growth, in 2019 Facebook published earnings reports that showed encouraging momentum for user engagement, sales as well as net profits; combined with momentum for the broader market, these factors powered the tech stock to big gains. Earnings performance beat the market’s targets in Q4 2018 and Q3 2019 but missed the average analyst targets for Q2 and Q3 in the 2019 fiscal year. Q1 and Q2 2019 showed a 50% and 48% decline in earnings per share growth respectively, with only a 0.85 and 0.91 USD earnings per share compared to 2.38 and 2.12 USD in Q4 2018 and Q3 2019 respectively. Facebook leads the social-media market and enjoys a massive global user base across platforms, but still needs to invest heavily to maintain its forefront position. Q3 2019 showed an active user base of 2.45B USD, up 8% year to year. Growth might decelerate as a result of ad-targeting headwinds and a particularly strong Q4 2018. In the 2020 fiscal year, Facebook plans to boost its headcount and increase its spending on marketing and other growth initiatives. Total expenses count between 54B and 59B USD, with the midpoint of that target representing a roughly 20% increase compared to the 47B USD midpoint target for 2019.**

NFLX (Netflix Inc)

25.41% increase in past 6 months, huge incline in start of 2020 yielding 17.64% growth. Tremendous 468% increase in the past 5 years, largest incline from Dec 2017 to June 2018 at 116.2%. Huge drops from Sep to Dec 2018 and Jul to Oct 2019, followed by a constant steep increase from 263 USD to currently 380 USD in less than 4 months. **Decent to huge potential growth. “Streaming wars” due to new streaming services launching could concern growths such as in last year where Netflix shares significantly underperformed the S&P 500. Netflix saw record paid member additions internationally during Q4 of 2019; viewing per member improved globally and domestically – these factors set the stage for strong growth potentials globally in the coming years. Potentially intensifying competitive environment, but Netflix has a strong underlying momentum for 2020. If it can keep up its strong international growth and benefit from cord-cutting, growth could rapidly increase. Revenue last quarter grew 31% year to year, profits 10x as fast. Wasn’t affected by the Coronavirus outbreak, meaning that potentially other widespread diseases in the future won’t affect it too.**

AAPL (Apple Inc.)

53.88% increase past 6 months, calm 7.79% incline since start of 2020, 152% increase past 5 years, with a huge 34.3% decrease in late 2018 (Oct to Dec) dropping stock prices by 70 USD. 89.3% increase in the past year from 170 to 323 USD. **With the release of AirPods last year, Apple enjoyed a significant sales growth in this sector that helped to lift its performance up. iPhone sales decreased by 11% from 2018 to 2019, with revenue for the popular mobile hardware down by 9% but still ahead of expectations. Apple Watch continued to gain traction and enjoyed significant sales growth. Apple’s subscription-based offerings and services segment (App Store, Apple Music etc.) slowed in terms of growth over the year. With a roughly estimated 6B USD sales for AirPods in 2019 (nearly doubling 2018), an analyst at Bernstein Research projects the revenue to hit 15B USD in 2020, overly doubling 2019’s revenues. With new products such as an expectation by analysts of the launch of a 5G-compatible phone by Apple, it could cause a significant uptick in sales for the handset line; combined with strong momentum for the company’s wearables segment and high-margin services revenue continuing to climb, 2020 could be a big year for Apple.**

**ENERGY STOCKS**

Royal Dutch Shell plc ADR Class A (RDS-A)

9.14% decrease the past 6 months, 15.94% decrease past 6 months, 19.45% decrease past 5 years, huge decrease of up to 20% since 2020 started. Peak of 72.63 USD (18 May 2018). **21% decrease potentially due to coronavirus (from 56 to 44 USD).**

Tesla Inc (TSLA)

Huge 307.72% increase past 6 months at a height of 917.42 USD in 19 Feb 2020,

**From 225 USD in Sep 2019**, 113.22% increase since start of year, 380+% increase past 5 years. Stocks were comfortable around 200-350 USD per share until Q4 2019 where it skyrocketed. **Potentially driven by an analyst’s upgraded 12-month price target for the stock -> Growing optimism among analysts and investors for tesla for following a year of impressive execution and ahead of the Model Y’s launch this quarter. Potential key -> Company’s energy business, which sells storage and solar products. Federal tax credit that qualifying Tesla buyers were eligible for in 2019 expired at the end of the year; could potentially affect demand.**

Nextera Energy Partners LP (NEP)

19.45% increase past 6 months, 61.24 USD as of 19 Feb 2020. 17.12% increase since start of 2020, 63.27% increase past 5 years, with a huge stock drop from May to Sep 2015 (51% from 47 to 23 USD per share), gradually increasing since 2017 until now. **The company has been treating income-seeking investors very well over the years. NEP has grown its dividend at a fast pace since its formation in 2014, including 15% in 2019. Dividend yield of 3.6%, Credit rating of BB/BB+/Ba1, 100% of cash flow are fee-based/regulated, and dividend payout ratio of mid-70s%, which are very attractive to investors. NEP worked with private-equity giant KKR on a convertible financing transaction to acquire another portfolio of renewable energy assets from NEE (NextEra Energy) in 2019. Due to lower credit rating, it makes it more challenging for Nep to line up financing to expand. Dividend is expected to grow by 12 to 15% per year through 2024.**

First Solar Inc (FSLR)

5.9% decrease in value past 6 months, barely an increase of just 0.23% since start of year. 15% decrease since past 5 years with very fluctuated values each year, ranging from 25 USD in 2017 (lowest) to 78 USD in Apr 2018. 70 USD in mid 2016, 25 USD in mid 2017, 75 USD in mid 2018, 57 USD in mid 2019. **Net revenue for Q1 2020 was up 102% to 1.4B USD, gross margin improved 960 basis points to 23.8%. Net loss however was 59.4M USD, or 0.56 USD per share, due to a 363M USD litigation charge. Analysts were expecting revenue of 1.75B USD and earnings of 2.72 USD per share. Sale delay of three projects in Japan affected by the Typhoon Hagibis could be a big driver of the earnings miss. Expected a 2.7B to 2.9B USD in net sales, gross margin of 26-27% gross, earnings of 3.25 to 3.75 USD per share, but only ended up with a net cash balance of 1.3B to 1.5B USD. As the company upgrades some of its manufacturing capacity and moves out of system sales, sales are expected to fall from 3.1B USD in 2019. Over the long term, the shift will make the renewable energy company smaller, but hopefully more profitable.**

**HEALTHCARE STOCKS**

IDEXX Laboratories Inc (IDEXX)

290 USD per share in 19 Feb 2020, barely an increase of just over 1% past 6 months, overall 273% increase of value past 5 years (huge drop in Q4 2018 with over 56 USD lost per share). **Q4 2019 revenue of 605.4M USD, up 10% year to year, topping average analysts’ revenue estimate of 600.6M. Net income of 90.5M USD or 1.04 USD per share, 0.06 USD higher than Q4 2018 and consensus Wall Street Q4 earnings estimate of 0.90 USD per share. IDEXX’s companion animal group (CAG) was the primary driver of IDEXX’s growth in Q4 2019. IDEXX’s livestock, poultry, and dairy (LPD) business also performed well in the fourth quarter. Projected 2020 earnings per share will be between 5.42 to 5.58 USD. Potentially leveraging expanded global commercial capability and unique innovations to support continued strong diagnostics market growth driven by the adoption of higher standards of care for pets globally. Won’t get affected by 2020 US presidential election.**

Anthem Inc (ANTM)

17.81% increase past 6 months, from 258 to 304 USD. 103% increase past 5 years, with very big fluctuations from Q1 to Q2 2019 and Q3 to Q4 2019, drops of up to 23% and increases of up to 26%. **Anthem underperformed in January 2020, investment shed 12% compared to a roughly flat result for the S&P 500. Shares gained only 15% in 2019, or about half the broader market’s return for the year. Investors still chose to focus instead on the conservative outlook that Anthem issued for 2020 year, despite the decline in January, although it still met expectations in terms of membership growth and earnings gains. Around 1 million increase in membership in 2019, helping push revenue to 117B USD compared to 103B USD. Potential unusual costs should pressure earnings in 2020, US presidential election could create volatility in ANTM.**

Davita Inc (DVA)

85 USD as of 19 Feb 2020, 46% increase in stock value past 6 months, barely an 8% increase past 5 years, with major fluctuations happening between 2015-2016, mid 2016 to early 2017, end of 2017 to start of 2018, huge drops in mid 2019 and leading in an eventual spike in late 2019 to start of 2020. **One of Warren Buffett’s portfolio (good to look at). The dialysis services provider made Buffett a little richer last year, with DVA’s shares soaring 46%. Decent start in 2020. Revenue expectations were of 2.92B USD in late 2019, but only announced a 2.9B USD, slightly lower than expected. Q4 2019 reported a net loss of 244.8B USD or 1.88 USD per share. DVA’s net income in Q4 2019 was 1.86 USD per share, more than doubled the company’s adjusted net income in the prior-year period of 0.9 USD per share. Dialysis treatments in Q4 2019 rose 1.7% year to year to 7,681,462 – an average of 96,744 treatments per day, revenue per treatment increased from 347.97 USD to 348.31 USD. DVA’s provision for uncollectible accounts declined to around 2M from 13.7M in the Q4 2018 – Q4 2019. Other revenues in Q4 rose from 105.1M USD to 132.6M USD. Company controlled its spending this year effectively, with operating costs basically flat over year. 2020 revenue should be expected around 11.5B to 11.7B USD and earnings per share from continuing operations between 5.75 to 6.25USD, from 5.25 to 5.75 USD. An effort by the Service Employees International Union-United healthcare Workers West (SEIU-UHW) puts an initiative on the California ballot in November that would impose restrictions on dialysis services providers. DVA opposes this ballot initiative. 2020 Elections could affect the stock.**

**POTENTIAL HUGE FACTORS**

Warren Buffett sold 4 big bank stocks:

* Minor sales: Bank of America and Bank of New York Mellon; sale brought Berkshire’s stake in B of A below the critical 10% level. For Bank of New York Mellon, Berkshire’s sale cut its position in the stock by 1.5%.
* Big slash: **Goldman Sachs (GS);** Buffett sold a third of its shares of Goldman which took the market value of its position in the bank down to below 2.8B USD.
* Noteworthy sale: Wells Fargo; During the fourth quarter of 2019, Berkshire sold more than 55 million shares of Wells Fargo (~14% of its holdings), but puts Buffett’s stake in Wells down to around 7.3%, below the 10% threshold that he had tracked for quite a while. Buffett had not enough patience.
* **A lot of investors are looking closely at the big purchases that Buffett made during the quarter. The stocks Buffett decides to sell are even more noteworthy. His moves are useful not just for shareholders of the bank stocks he sold but also as a way of understanding how to manage a stock portfolio effectively over the long run.**

Stock market overall views, money managers, shareholders:

* For instance, the stock market fell off a cliff during the fourth quarter of 2018 and came dangerously close to a long bull-market run. The Shiller P/E ratio (Price to earnings ratio based on average inflation-adjusted earnings from the previous 10 years) hit its second-highest level in history. In late 2019, a similar Shiller P/E ratio was nearing that of late 2018, and shareholders such as money managers might have chosen to book profits and play it safe such as in Q4 2019 and potentially the future.
* FAANG stocks were sold by money managers in Q4 2019, with the number of FAANG stock shares held by these companies required to file Form 13F falling - Facebook with a minus 11.1% to a total of 201M shares from Q3 2019, Apple minus 4.6% to 121M shares, Amazon minus 7.3% to 20.2M shares, Netflix a whopping minus 19.9% to 70.5M shares and Alphabet minus 10.6% for class C shares (GOOG) to 24.7M shares.
* Chase Coleman of Tiger Global Management and Ken Griffin of Citadel Advisors sold 2.9M and 2.1M shares of Facebook stock respectively. Andreas Halvorsen’s Viking Global and Coleman’s Tiger Global Management reduced their stakes held in Netflix by 801,931 and 595,813 shares respectively. **Warren Buffett** even got in the action, with Berkshire Hathaway selling **3.68M shares of Apple.**

Potential outbreaks in the world

* Coronavirus lead to an overall market sell-off which crashed a majority of stocks (potentially even all).