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Summary Report

In this summary, date is as of June 28th, 2021.

Technical Analysis: A technical analysis focus more on short-term dynamics. There are support and resistance levels that market participants are watching carefully. In this case, we mainly use three indicators: RSI, ATR, and SMA (9, 20, 50 periods).

We fetch RSI and ATR from <https://finviz.com/> and manually put in file *StockUniverseValuation.csv*. As we know RSI less than 30 indicates oversold status and high ATR suggests volatile. Our aim is to find a stock with RSI no more than 70 and as lower ATR as possible. According to RSI sort result, the 5 stocks we got with the lowest RSI value is: CAT (37.77) < JPM (44.09) < LMT (44.53) < MCD (44.62) < UNP (45.56) and the 5 stocks we got with the lowest ATR value is: XOM (1.45) < AAPL (1.99) < QCOM (2.43) < DIS (2.44) < MCD (2.68). Then we look at the SMAs of 9 stocks above, there are 2 stocks showing a golden cross recently: AAPL (6/26/21 golden cross) and QCOM (6/26/21 golden cross). Our final recommendation as a technical analyst is QCOM because later golden cross, low ATR 2.43, and RSI (62.85) no more than 70.

Here are the screenshots of indicator we use: SMA indicators with 9, 20 and 50 close.



RSI



ATR



Fundamental Analysis: It relies on information that spans years. It is more theoretical because it seeks to determine the long-term value of a security. In this case, we mainly focus on 3 values: P/E ratio, DCF/Current Price, and Total Debt/Market Cap. The reason we monitor them is because low P/E ratio and high DCF/Current Price suggest stock is underpriced, and a company with lower Total Debt/Market Cap ratio result carries a lower risk of insolvency. Thus, our aim is to find a stock with high DCF/Current Price, low P/E, low Total Debt/Market Cap.

After comparing all the stocks, we got these 5 stocks with the highest DCF/Current Price: ETSY (4.19) > QCOM (1.23) > AAPL (0.94) > DOCU (0.93) > MSFT (0.82). For the P/E, we got these lowest 5 stocks: GS (9.16) < JPM (12.22) < LMT (15.41) < TGT (19.64) < QCOM (19.71). Here after comparing all the stocks, we got these 5 lowest Total Debt as a percentage of Market Cap: ADBE = NVDA = ENPH = DOCU (2%) < PYPL (3%). Our final recommendation is QCOM because its DCF is higher than Current Price, not high P/E, and its Total Debt/Market Cap is 12%, which just stayed on the median of Total Debt/Market Cap among 30 stocks.

After this study, both stock winners as technical and fundamental analyst are QCOM!