ELK-DESA RESOURCES (ELKDESA-KU)

Banking & Investment Svcs. / Banking Services / Consumer Lending

|							
Last Close	**Avg Daily Vol**	**52-Week High**	**Trailing PE**	**Annual Div**	**ROE**	**LTG Forecast**	**1-Mo Return**
1.19 (MYR)	**79,593**	**1.26**	**13.0**	**0.07**	**7.3%**	**--**	**0.0%**
15 May 2018 MALAYSIA Exchange	**Market Cap** **353M**	**52-Week Low** **1.14**	**Forward PE** **13.2**	**Dividend Yield** **5.9%**	**Annual Rev** **101M**	**Inst Own** **0.4%**	**3-Mo Return** **3.5%**

AVERAGE SCORE

AVERAGE SCORE

8

POSITIVE OUTLOOK: ELKDESA's current score of 8 places it among the top quartile of stocks scored.

Score Averages

Banking Services Group: **7.6** Small Market Cap: **5.2**
Banking & Investment Svcs. Sector: **7.1** FBM KLCI Index: **6.6**

Average Score Trend (4-Week Moving Avg)
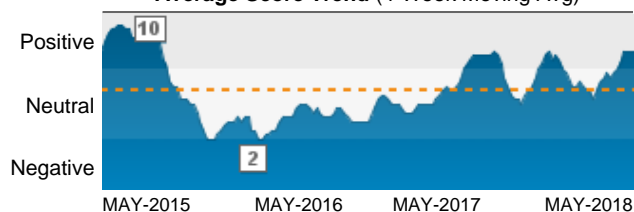
Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
AEONCR	9	9	10	10	**10**	
ELKDESA	**8**	**6**	**8**	**8**	**8**	
MBSB	5	6	7	7	**7**	
RCECAP	6	8	8	6	**6**	
AMBANK	6	6	5	4	**4**	

HIGHLIGHTS

- The score for ELK-Desa Resources has been on a positive trend from 6 to 8 over the past 8 weeks.

- In the past 3 years, the best score was 10 on 23/08/15, and the worst score was 2 on 20/03/16.

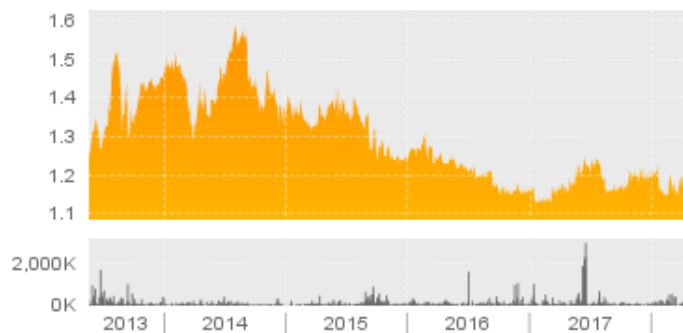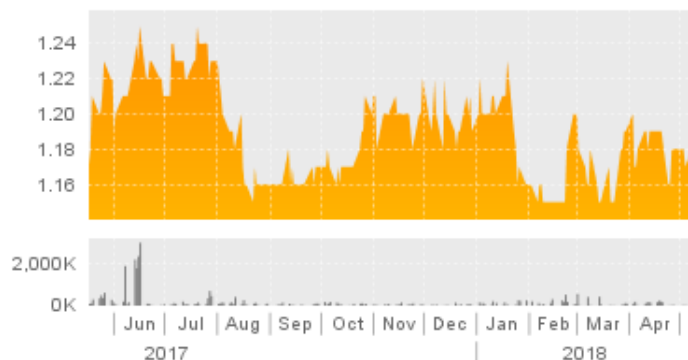## THOMSON REUTERS I/B/E/S MEAN

Hold
1 Analyst

Mean recommendation from all analysts covering the company on a standardized 5-point scale.

Sell	Reduce	Hold	Buy	Strong Buy

PRICE AND VOLUME CHARTS

1-Year Return: 0.0%

5-Year Return: -4.2%

BUSINESS SUMMARY

ELK-Desa Resources Berhad is an investment holding company. The Company, through its subsidiary, ELK-Desa Capital Sdn Bhd is primarily involved in the business of hire purchase financing for used motor vehicles. The Company is also involved in selling general insurance policies as an insurance agent through ELK-Desa Risk Agency Sdn Bhd. The Company's segments include Hire purchase financing, which is engaged in hire-purchase financing and other integrated services (insurance agent), and Furniture, which is engaged in trading of furniture. The Company operates its furniture business under its subsidiary, ELKDesa Furniture Sdn Bhd, with its house brand name ELK-DeSA. The Company has approximately four furniture retail showrooms located in Klang and Shah Alam. The Company also exports its furniture to other countries.

INDICATOR COMPONENTS

AVERAGE SCORE 8

The **AVERAGE SCORE** combines the quantitative analysis of five widely-used investment decision making tools: Earnings, Fundamental, Relative Valuation, Risk, and Price Momentum. A simple average of the underlying component ratings is normally distributed to rank stocks on a 1-10 scale (10 being awarded to the most favorable). These factors may be evaluated differently using alternative methodologies and the importance of individual factors varies across industries, market capitalization and investment styles. Additional criteria should always by used to evaluate a stock.

	Earnings	Fundamental	Relative Valuation	Risk	Price Momentum
Positive				10	10
Neutral		6			
Negative			2		
No Rating	NR				
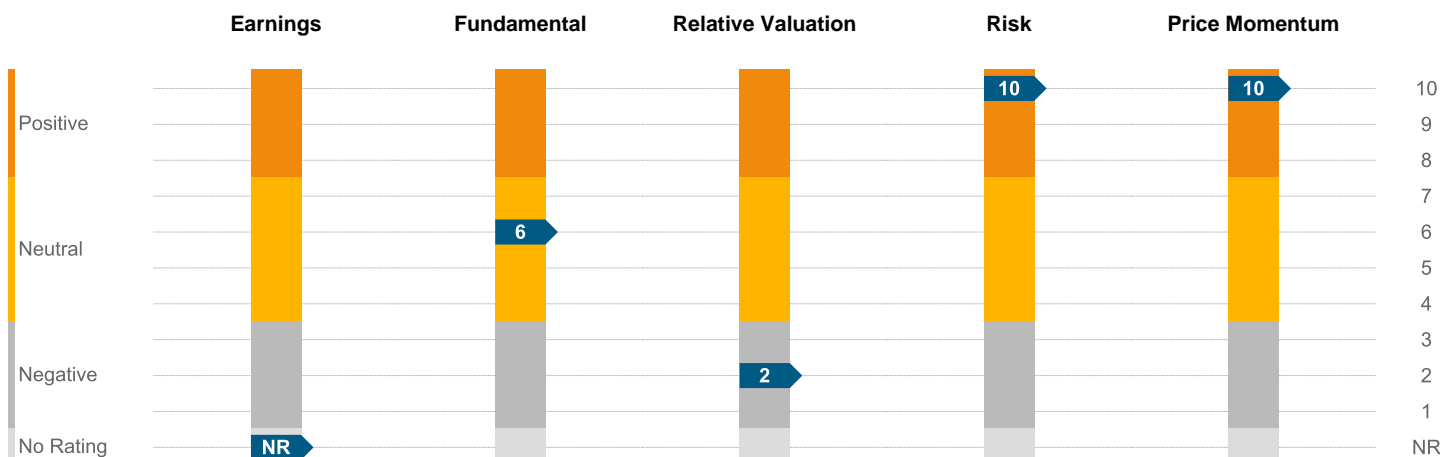
PEER ANALYSIS
Currency in MYR

Average Score	Ticker	Price (15/05/18)	1-Mo Return	3-Mo Return	1-Yr Return	Market Cap	Trailing PE	Forward PE	Dividend Yield	Net Margin	LTG Forecast	I/B/E/S Mean	# of Analysts
			PRICE MOMENTUM				**VALUATION**		**FUNDAMENTAL**		**ANALYSTS**		
7	MAYBANK	10.80	2.5%	6.9%	15.1%	117.1B	14.9	14.3	5.1%	22.7%	10.4%	Buy	22
9	PBBANK	24.00	0.1%	9.9%	20.1%	92.7B	17.0	16.5	2.5%	28.6%	7.6%	Buy	23
8	CIMB	6.75	-6.4%	-3.7%	13.6%	64.6B	13.2	11.3	3.7%	15.8%	13.4%	Buy	24
8	HLBANK	18.86	-0.2%	3.5%	34.3%	40.4B	16.0	15.2	2.4%	29.8%	13.0%	Hold	18
8	HLFG	18.94	-1.7%	3.7%	8.5%	21.8B	13.3	12.2	2.0%	18.9%	--	Buy	6
8	RHBBANK	5.48	2.8%	5.2%	0.0%	21.1B	10.9	9.7	2.2%	18.4%	13.9%	Buy	18
4	AMBANK	3.51	-12.3%	-22.2%	-35.8%	11.2B	8.5	8.7	5.0%	16.4%	--	Hold	18
7	MBSB	1.18	2.6%	-0.8%	-11.3%	7.0B	16.8	14.2	2.5%	25.5%	--	Strong Buy	2
10	AEONCR	13.30	1.5%	1.4%	9.6%	3.2B	9.5	10.7	3.1%	23.2%	--	Buy	5
6	RCECAP	1.35	-7.5%	-7.5%	-22.9%	449M	5.5	6.0	2.2%	36.2%	--	Strong Buy	2
8	ELKDESA	1.19	0.0%	3.5%	0.0%	353M	13.0	13.2	5.9%	24.1%	--	Hold	1
7.5	Average	9.58	-1.7%	0.0%	2.8%	34.5B	12.6	12.0	3.3%	23.6%	11.7%	Buy	12.6

PEER COMPANIES

MAYBANK	Malayan Banking	RHBBANK	RHB Bank
PBBANK	Public Bank	AMBANK	AMMB Holdings
CIMB	CIMB Group Holdings	MBSB	Malaysia Building Society
HLBANK	Hong Leong Bank	AEONCR	AEON Credit Service (M)
HLFG	Hong Leong Financial Group	RCECAP	RCE Capital

ELK-DESA RESOURCES (ELKDESA-KU)

Banking & Investment Svcs. / Banking Services / Consumer Lending

EARNINGS

Currency in MYR

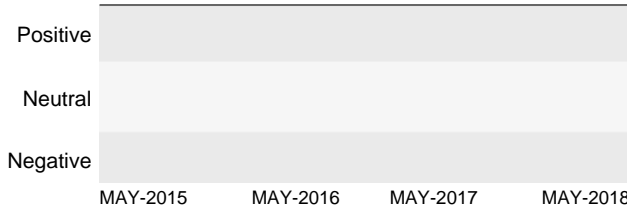**EARNINGS NR**

This company does not currently meet the data requirements to calculate a score for this component.

Earnings Score Averages

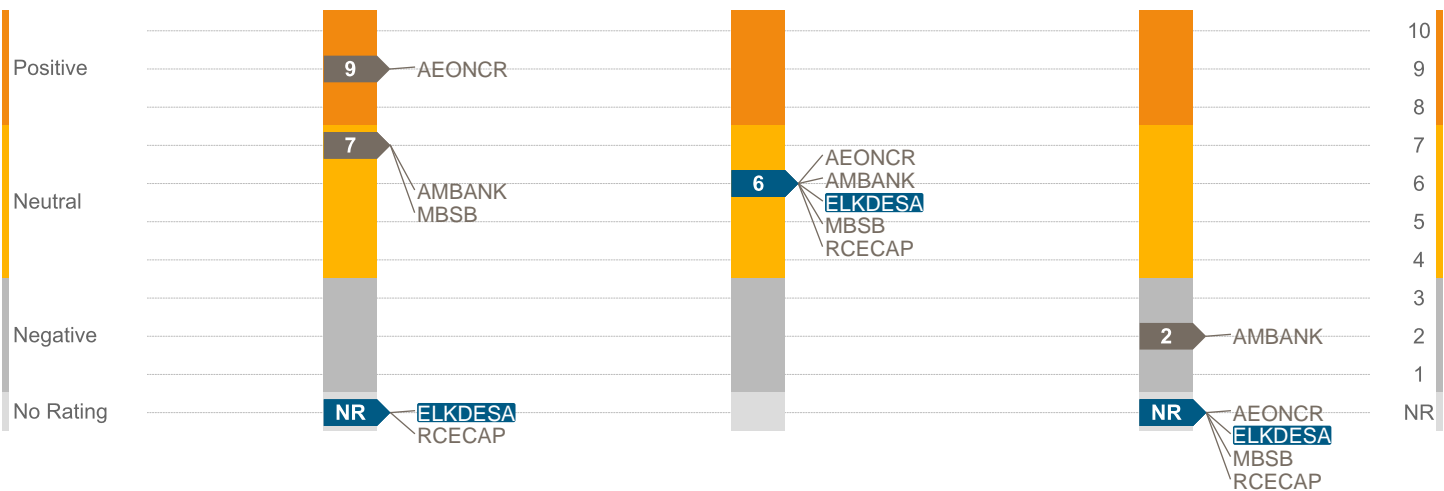|			
Banking Services Group:	6.6	Small Market Cap:	5.3
Banking & Investment Svcs. Sector:	6.6	FBM KLCI Index:	5.2

Earnings Score Trend (4-Week Moving Avg)

Positive

Neutral

Negative

MAY-2015   MAY-2016   MAY-2017   MAY-2018

Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
AEONCR	7	7	8	10	9	
MBSB	7	4	8	8	8	
AMBANK	8	3	2	5	5	
ELKDESA	NR	NR	NR	NR	NR	
RCECAP	NR	NR	NR	NR	NR	

EARNINGS INDICATORS

Earnings Surprises (33.3% weight)

Estimate Revisions (33.3% weight)

Recommendation Changes (33.3% weight)

- Positive — 9 — AEONCR
- 7 — AMBANK, MBSB
- Neutral
- 6 — AEONCR, AMBANK, ELKDESA, MBSB, RCECAP
- Negative — 2 — AMBANK
- No Rating — NR — ELKDESA, RCECAP
- NR — AEONCR, ELKDESA, MBSB, RCECAP

Scale: 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, NR

Last 4 Quarters

# Positive Surprises (> 2%)	0
# Negative Surprises (< -2%)	0
# In-Line Surprises (within 2%)	0
Avg Surprise	--

Last 4 Weeks

# Up Revisions	0
# Down Revisions	0
Avg Up Revisions	0.0%
Avg Down Revisions	0.0%

Last 120 Days

# Broker Upgrades	0
# Broker Downgrades	0

HIGHLIGHTS

- Due to a lack of recent analyst activity, no Earnings Rating can be calculated for ELK-Desa Resources. The average Earnings Rating for its Consumer Lending industry is 8.5 and the FTSE BURSA MALAYSIA COMPOSITE index average is 5.2.

- There have been no upward or downward broker recommendation changes for ELK-Desa Resources over the past 120 days.

PRICE TARGET

The chart indicates where analysts predict the stock price will be within the next 12 months, as compared to the current price.

1.19

Current Price (MYR)   Price Target   HIGH, MEAN, LOW

12-Month Price Target

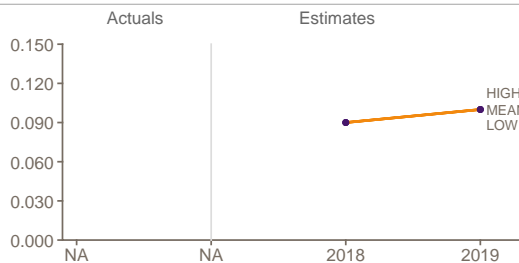|	
Mean (MYR)	1.18
High	1.18
Low	1.18
Target vs. Current	-0.8%
# of Analysts	1

THOMSON REUTERS

EARNINGS PER SHARE

Earnings per share (EPS) is calculated by dividing a company's earnings by the number of shares outstanding. Analysts tend to interpret a pattern of increasing earnings as a sign of strength and flat or falling earnings as a sign of weakness.

The charts provide a comparison between a company's actual and estimated EPS, including the high and low forecasts.

Actuals | **Estimates**

Quarterly data is not available
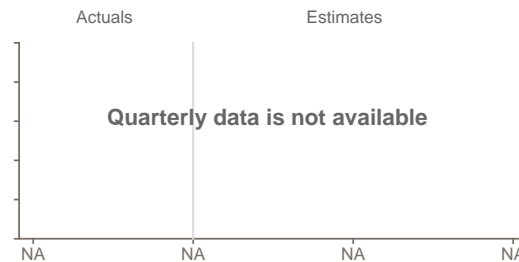
NA | NA | NA | NA

Quarterly	NA	NA
Mean	--	--
High	--	--
Low	--	--
# of Analysts	--	--

Actuals | **Estimates**

HIGH
MEAN
LOW

Annual	2018	2019
Mean	0.090	0.100
High	0.090	0.100
Low	0.090	0.100
# of Analysts	1	1

MEAN ESTIMATE TREND

	Q --	Q --	Y 2018	Y 2019	Price Target
Current	--	--	0.090	0.100	1.18
30 Days Ago	--	--	0.090	0.100	1.18
90 Days Ago	--	--	0.090	0.100	1.18
% Change (90 Days)	--	--	0.0%	0.0%	0.0%

Current Fiscal Year End: 03-18
Next Expected Report Date: --

ANALYST RECOMMENDATIONS

Thomson Reuters I/B/E/S Mean: **Hold** (1 Analyst)

Strong Buy	0
Buy	0
Hold	1
Reduce	0
Sell	0

EARNINGS SURPRISES

Comparing a company's actual earnings to the mean expectation of analysts results in a difference referred to as a 'positive' or 'negative' surprise. Research has shown that when a company reports a surprise, it is often followed by more of the same surprise type.

Surprise Summary (Last 12 Quarters)

| Surprise Type	Amount	Percent
Positive Quarters (> 2%)	0	--
Negative Quarters (< -2%)	0	--
In-Line Quarters (within 2%)	0	--

Surprise Detail (Last 6 Periods)

Surprise Type	Announce Date	Period End Date	Actual EPS	Mean EPS	Surprise (%)

There are no earnings surprises during this time period.

ANNUAL REVENUE

A pattern of increasing sales in conjunction with a rising EPS may influence a buy recommendation, while flat or falling sales and faltering earnings may explain a sell recommendation. A rising EPS with flat or falling sales may result from increased cost efficiency and margins, rather than market expansion. This chart shows the sales forecast trend of all analysts and the highest and lowest projections for the current and next fiscal year.

Actuals | **Estimates**

HIGH
MEAN
LOW

NA | NA | 2018 | 2019
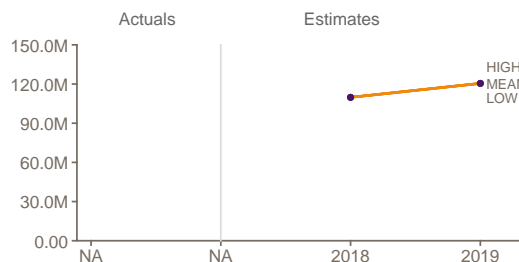
	2018	2019
Mean	109.8M	120.5M
High	109.8M	120.5M
Low	109.8M	120.5M
Forecasted Growth	--	--
# of Analysts	1	1

ELK-DESA RESOURCES (ELKDESA-KU)

Banking & Investment Svcs. / Banking Services / Consumer Lending

FUNDAMENTAL

FUND-AMENTAL
6

NEUTRAL OUTLOOK: Fundamentals relatively in-line with the market.

Fundamental Score Averages

Banking Services Group: **6.4**	Small Market Cap: **5.3**
Banking & Investment Svcs. Sector: **6.5**	FBM KLCI Index: **6.6**

Fundamental Score Trend
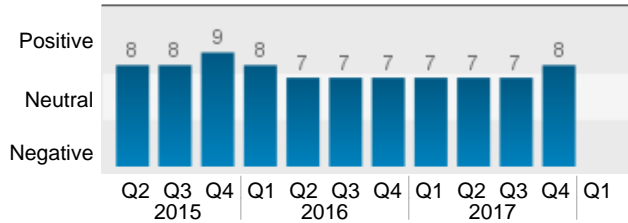
Peers	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Current	3Y Trend
MBSB	7	7	4	NR	8	
ELKDESA	7	7	8	NR	6	
RCECAP	2	2	3	NR	5	
AEONCR	5	5	5	NR	4	
AMBANK	3	3	5	NR	4	

FUNDAMENTAL INDICATORS

Profitability (25% weight)
Debt (25% weight)
Earnings Quality (25% weight)
Dividend (25% weight)
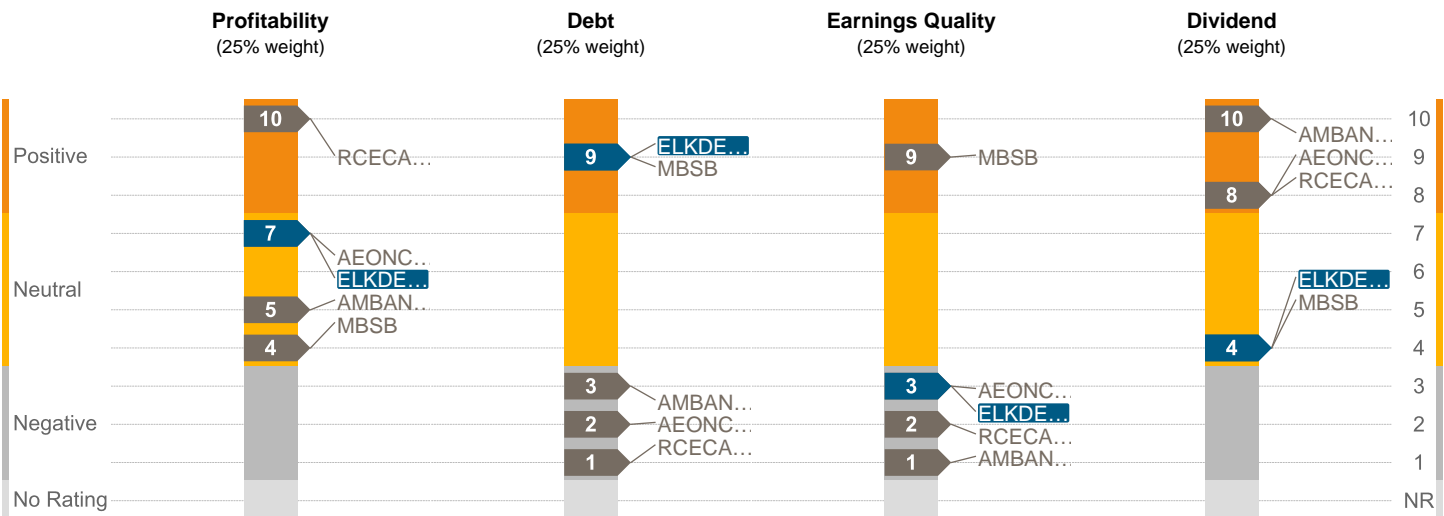
Revenue Growth	15.7%	**Current Ratio**	3.9	**Oper. Cash Yield**	-212.7%	**Dividend Growth**	0.8%
For year over year ending 12-2017		For interim period ending 12-2017		For latest 12 months ending 12-2017		For year over year ending 12-2017	
Gross Margin	80.6%	**Debt-to-Capital**	4.4%	**Accruals**	15.5%	**Dividend Payout**	68.5%
For latest 12 months ending 12-2017		For annual period ending 03-2017		For latest 12 months ending 03-2017		For latest 12 months ending 12-2017	
Return On Equity	7.3%	**Interest Funding**	5.2%	**Days Sales In Inv.**	84.1	**Dividend Coverage**	2.7
For interim period ending 12-2017		For interim period ending 06-2017		For annual period ending 03-2017		For annual period ending 03-2017	
Net Margin	24.1%	**Interest Coverage**	17.5	**Days Sales In Rec.**	365.9	**Current Div. Yield**	5.9%
For latest 12 months ending 12-2017		For interim period ending 12-2017		For annual period ending 03-2017		For latest 12 months ending 05-2018	

HIGHLIGHTS

- ELK-Desa Resources currently has a relatively neutral Fundamental Rating of 6. The average Fundamental Rating for its Banking Services industry group is 6.4 and the FTSE BURSA MALAYSIA COMPOSITE index average is 6.6.

- The year-over-year revenue growth of 15.7% for ELKDESA is the highest within its Banking Services industry group.

- The company's debt-to-capital has been lower than its industry group average for each of the past five years.

- The company's operating cash yield has been lower than its industry group average for each of the past five years.

- Of the 14 firms within the Banking Services industry group, ELK-Desa Resources is among 14 companies that pay a dividend. The stock's dividend yield is currently 5.9%.
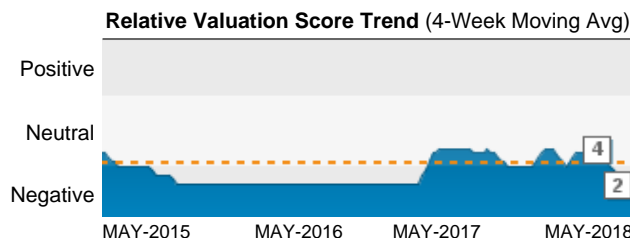
BURSAMKTPLC

THOMSON REUTERS

RELATIVE VALUATION

RELATIVE VALUATION

2

NEGATIVE OUTLOOK: Multiples significantly above the market or the stock's historic norms.

Relative Valuation Score Averages

Banking Services Group:	**3.3**	Small Market Cap:	**6.0**
Banking & Investment Svcs. Sector:	**4.0**	FBM KLCI Index:	**2.5**

Relative Valuation Score Trend (4-Week Moving Avg)

Positive / Neutral / Negative

MAY-2015   MAY-2016   MAY-2017   MAY-2018

Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
RCECAP	7	9	9	9	**9**	
AMBANK	6	5	5	6	**6**	
AEONCR	6	6	5	5	**5**	
ELKDESA	**4**	**4**	**2**	**2**	**2**	
MBSB	1	2	1	1	**1**	

RELATIVE VALUATION INDICATORS

Price to Sales
(50% weight)

Trailing PE
(25% weight)

Forward PE
(25% weight)

Price to Sales: Positive / Neutral / Negative / No Rating
- 5 — RCECAP
- 3 — AEONCR
- 2 — AMBANK, ELKDESA
- 1 — MBSB

Trailing PE:
- 10 — RCECAP, AEONCR
- 8 — AMBANK
- 6 — ELKDESA, MBSB
- 4

Forward PE:
- 10 — RCECAP, AMBANK
- 8
- 7
- 6 — AEONCR
- 5 — ELKDESA, MBSB
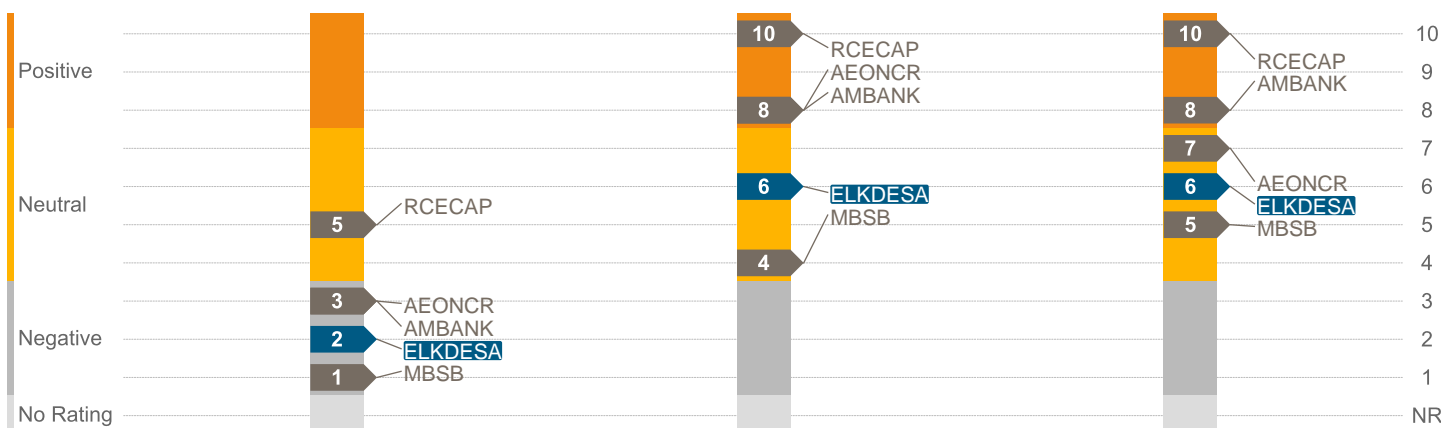
| Price to Sales	4.1	Trailing PE	13.0	Forward PE	13.2
5-Yr Average	3.8	5-Yr Average	13.0	5-Yr Average	--
Rel. to 5-Yr Avg.	6% Premium	Rel. to 5-Yr Avg.	0.0% Premium	Rel. to 5-Yr Avg.	--
FBM KLCI Index	3.0	FBM KLCI Index	17.7	FBM KLCI Index	17.7
Rel. to FBM KLCI	37% Premium	Rel. to FBM KLCI	27% Discount	Rel. to FBM KLCI	25% Discount

HIGHLIGHTS

- ELK-Desa Resources currently has a Relative Valuation Rating of 2 while the FTSE BURSA MALAYSIA COMPOSITE index has an average rating of 2.5.
- ELKDESA's Price to Sales ratio of 4.1 represents a 6% Premium to its 5-year average of 3.8.

- ELKDESA's Trailing P/E of 13.0 represents a 0.0% Premium to its 5-year average of 13.0.
- At 13.2, ELKDESA's current Forward P/E is at a 25% Discount to the FTSE BURSA MALAYSIA COMPOSITE index average of 17.7.

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PRICE TO SALES

The most recent week's close price divided by the revenue per share.

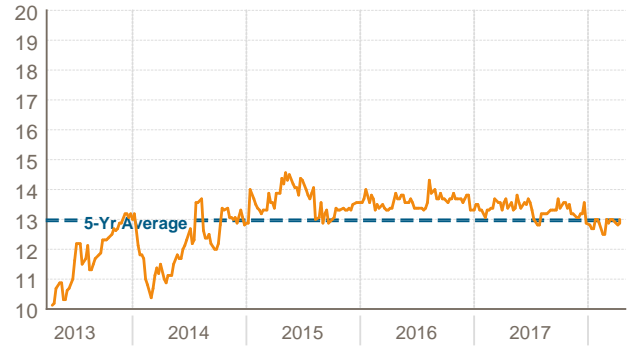Price to Sales: 4.1
5-Year Average: 3.8
FBM KLCI Index Average: 3.0
Banking Services Group Average: 4.9
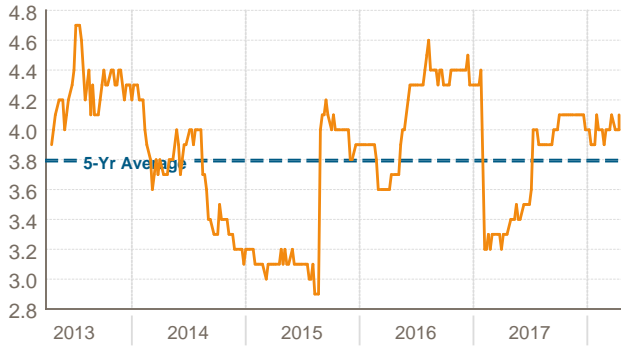
TRAILING PE

The most recent week's close price divided by the sum of the four most recently reported quarterly earnings.

Trailing PE: 13.0
5-Year Average: 13.0
FBM KLCI Index Average: 17.7
Banking Services Group Average: 14.2

FORWARD PE

The most recent week's close price divided by the sum of the four upcoming quarterly consensus estimates.

Forward PE: 13.2
5-Year Average: --
FBM KLCI Index Average: 17.7
Banking Services Group Average: 13.3
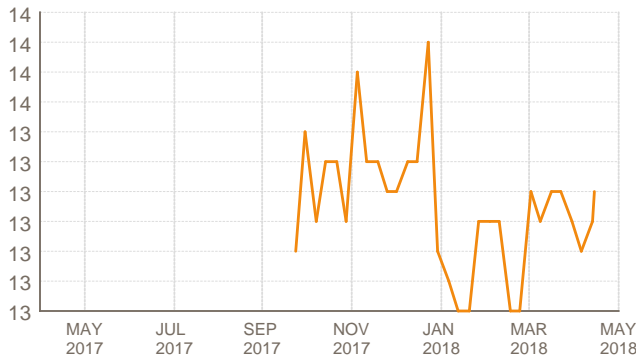
FORWARD PEG

The Forward P/E divided by the five-year forecasted growth rate.

Forward PEG: --
5-Year Average: --
FBM KLCI Index Average: 1.8
Banking Services Group Average: 1.2

This valuation data is not available

ELK-DESA RESOURCES (ELKDESA-KU)

Banking & Investment Svcs. / Banking Services / Consumer Lending
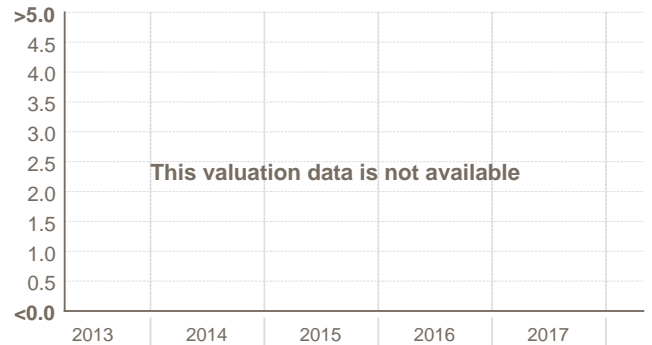
RISK

RISK

10

POSITIVE OUTLOOK: Consistent return patterns (low volatility).

Risk Score Averages

Banking Services Group: **8.9**	Small Market Cap: **4.9**
Banking & Investment Svcs. Sector: **7.8**	FBM KLCI Index: **8.9**

Risk Score Trend (4-Week Moving Avg)
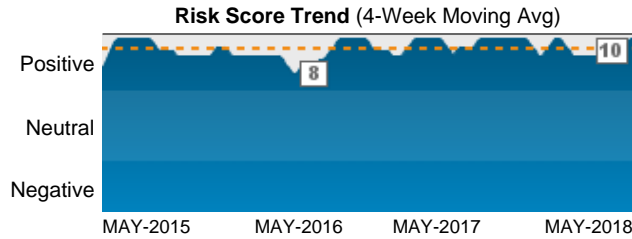
Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
AEONCR	9	10	10	10	10	
ELKDESA	10	9	10	10	10	
AMBANK	9	9	8	8	8	
MBSB	5	5	5	6	6	
RCECAP	6	8	5	5	5	

RISK INDICATORS

Magnitude of Returns (25% weight)	Volatility (25% weight)	Beta (1-year) (25% weight)	Correlation (25% weight)
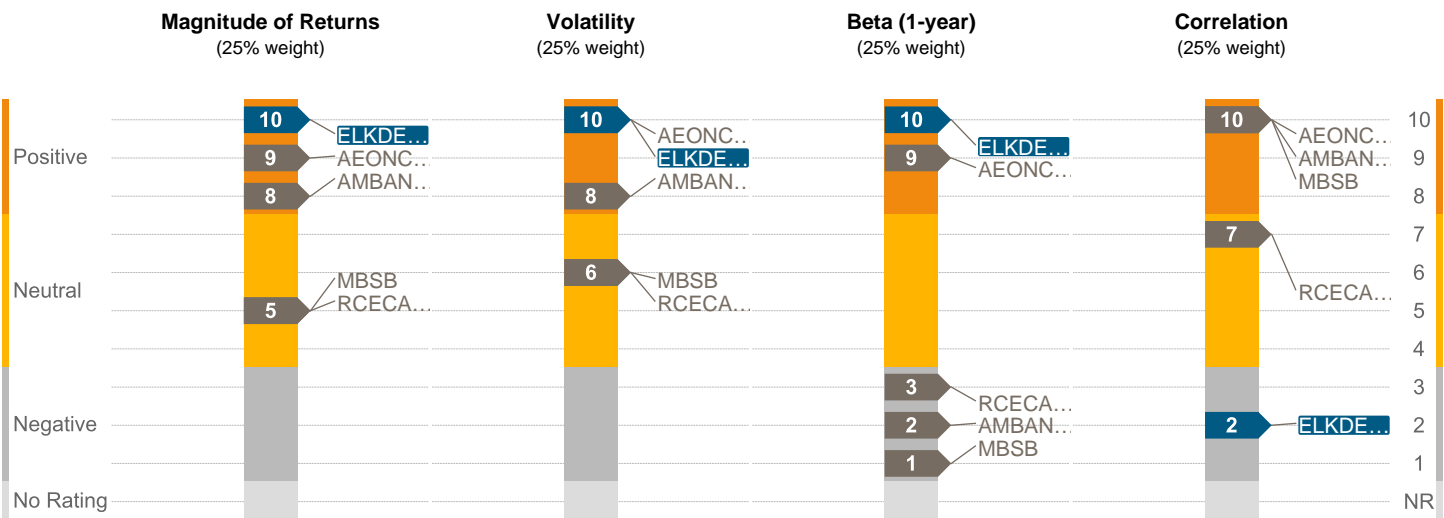
Daily Returns (Last 90 Days)		**Standard Deviation**		**Beta vs. FBM KLCI**	0.20	**Correlation vs. FBM KLCI**	
Best	2.6%	Last 90 Days	1.03	Positive Days Only	-0.51	Last 90 Days	15%
Worst	-2.5%	Last 60 Months	4.59	Negative Days Only	0.69	Last 60 Months	18%
Monthly Returns (Last 60 Months)		**Intra-Day Swing** (Last 90 Days)		**Beta vs. Group**	0.15	**Correlation vs. Group**	
Best	14.2%	Average	1.3%	Positive Days Only	-0.11	Last 90 Days	19%
Worst	-10.5%	Largest	3.4%	Negative Days Only	0.33	Last 60 Months	44%

HIGHLIGHTS

- ELK-Desa Resources currently has a Risk Rating of 10 while the FTSE BURSA MALAYSIA COMPOSITE index has an average rating of 8.9.

- On days when the market is up, ELKDESA shares typically decrease. Furthermore, on days when the market is down, the shares tend to decline less than the FTSE BURSA MALAYSIA COMPOSITE index.

- In both short-term and long-term periods, ELKDESA has shown low correlation (>= -0.1 and < 0.2%) with the FTSE BURSA MALAYSIA COMPOSITE index. Thus, this stock would provide high levels of diversification to a portfolio similar to the broader market.

- Over the last 90 days, ELKDESA shares have been less volatile than the overall market, as the stock's daily price has fluctuated less than 97% of FTSE BURSA MALAYSIA COMPOSITE index firms.

RISK ANALYSIS

	Last 90 Days					Last 60 Months	
Peers	Best Daily Return	Worst Daily Return	# Days Up	# Days Down	Largest Intra-Day Swing	Best Monthly Return	Worst Monthly Return
ELKDESA	2.6%	-2.5%	17	13	3.4%	14.2%	-10.5%
AEONCR	5.0%	-3.0%	27	26	4.7%	21.5%	-15.0%
AMBANK	5.5%	-8.8%	26	31	10.1%	13.0%	-16.1%
MBSB	7.8%	-9.6%	20	27	12.6%	24.6%	-32.9%
RCECAP	11.1%	-7.6%	16	31	12.8%	36.9%	-32.6%
FBM KLCI	**1.1%**	**-1.9%**	**33**	**27**	**4.3%**	**4.6%**	**-6.4%**

THOMSON REUTERS
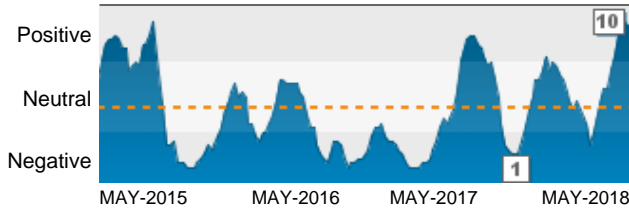
PRICE MOMENTUM

PRICE MOMENTUM 10

Currency in MYR

POSITIVE OUTLOOK: Strong recent price performance or entering historically favorable seasonal period.

Price Momentum Score Averages

Banking Services Group: **8.0**		Small Market Cap: **5.1**
Banking & Investment Svcs. Sector: **6.8**		FBM KLCI Index: **7.3**

Price Momentum Score Trend (4-Week Moving Avg)

Peers	-6M	-3M	-1M	-1W	Current	1Y Trend
AEONCR	8	8	10	9	**10**	
ELKDESA	7	3	9	9	**10**	
MBSB	3	10	8	8	**8**	
RCECAP	6	7	9	5	**4**	
AMBANK	1	8	5	2	**2**	

PRICE MOMENTUM INDICATORS

Relative Strength (70% weight)

Positive: ELKDESA (9), MBSB, AEONCR (8)
Negative: AMBANK (3), RCECAP

Seasonality (30% weight)

Positive: AEONCR (10), ELKDESA, RCECAP (8)
Neutral: AMBANK (4)
Negative: MBSB (3)
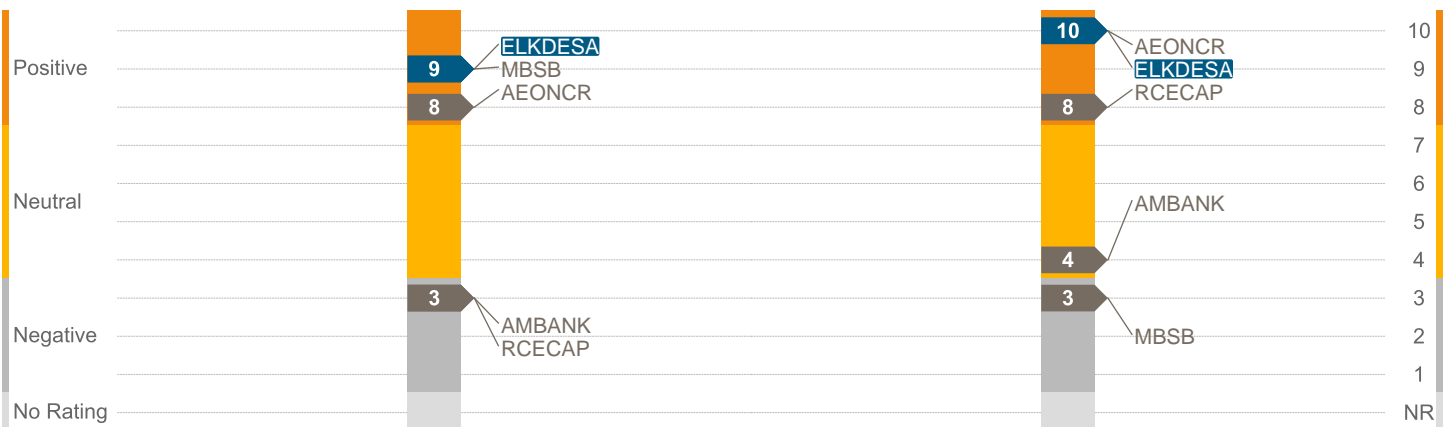
Relative Strength Indicator (Scale from 1 to 100)

	ELKDESA	Industry Avg
Last 1 Month	55	48
Last 3 Months	51	48
Last 6 Months	51	49

Average Monthly Return (Last 10 Years)

	MAY	JUN	JUL
Company Avg	4.4%	0.0%	5.1%
Industry Avg	--	--	--
Industry Rank	--	--	--

PRICE PERFORMANCE

Daily close prices are used to calculate the performance of the stock as compared to a relevant index over five time periods.

■ ELKDESA
■ FBM KLCI

Period	ELKDESA	FBM KLCI
1-Week	0.8%	1.2%
1-Month	0%	-1%
3-Month	3.5%	0.8%
YTD	0%	3%
1-Year	0%	4.2%
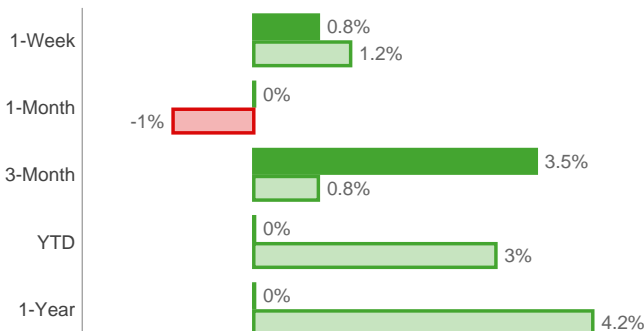
	ELKDESA	FBM KLCI
Close Price (15/05/18)	1.19	1,850
52-Week High	1.26	1,895
52-Week Low	1.14	1,713

- The Price Momentum Rating for ELK-Desa Resources is at its 3-year high of 10.

- On 15/05/18, ELKDESA closed at 1.19, 5.6% below its 52-week high and 4.4% above its 52-week low.

- ELKDESA shares are currently trading 1.2% above their 50-day moving average of 1.18, and 0.8% above their 200-day moving average of 1.18.

DETAILED STOCK REPORT TIPS

The Thomson Reuters Stock Report is a comprehensive, company-specific analysis that includes a proprietary Stock Rating along with underlying component indicators and supportive data elements. The report is updated daily, although some of the data elements and the ratings are updated weekly.

Average Score
The Average Score combines a quantitative analysis of five widely-used investment decision making tools - Earnings, Fundamental, Relative Valuation, Risk, and Price Momentum. First, a simple average of the five underlying component ratings is calculated. Then, a normal distribution is used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. A score of 8 to 10 is considered positive, 4 to 7 is neutral, and 1 to 3 is negative. These five factors may be evaluated differently using alternative methodologies, and the importance of individual factors varies across industry groups, market capitalization and investment styles. Additional criteria should always be used to evaluate a stock.

A company must have sufficient data available for at least three of the five component indicators in order to receive an overall Average Score. Approximately 85% of the stocks within the coverage universe meet the criteria to generate a score.

Indicator Components
The five indicators that comprise the stock rating are displayed. Like the stock rating, the component rating scale is 1 to 10, with 10 being best. A company will receive an 'NR' for No Rating if the required data elements or criteria are not met. A detailed section for each component is included in the report.

Indicator Trends
Within each component section, historical score trends are displayed, typically using a 4-week moving average over a timeframe of the past three years. The dotted orange line indicates the average of the scores over those three years. The most recent occurrences of the best and worst scores are also displayed on the chart in grey boxes to put the current score into historical context.

Next to the trend chart for the company, current score averages are included, along with peer company comparisons of values from 6 months ago, 3 months ago, 1 month ago, the most recent value from 1 week ago, and the current score. The four closest industry peers are presented based on similar market capitalization.

Peer Analysis
The Thomson Reuters Business Classification (TRBC) system is used for industry comparisons.   It is designed to track and display the primary business of a corporation by grouping together correlated companies that offer products and services into similar end markets. The system includes 10 Economic Sectors, 28 Business Sectors, 54 Industry Groups, and 136 Industries.
The Peer Analysis section of the report compares the company to its ten closest peers. The peers are selected from the industry based on similar market capitalization. The peer listing may have fewer than ten companies if there are fewer than ten companies within that industry classification.

Highlights
The Thomson Reuters proprietary automated text-generation system creates highlights summarizing the most noteworthy data. The bullets will vary by company and will change from week to week as different criteria are met.

Earnings
The Earnings Rating is based on a combination of three factors: earnings surprise, estimate revision, and recommendation changes. Each factor is equally weighted. Then, equal deciles are used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. A stock needs to have at least two of the three earnings factors in order to receive a score.

Earnings Surprises - The number of positive and negative surprises within the last 4 periods (quarters or years).
Estimate Revisions - The number of up and down revisions and the average percentage change of those revisions within a 4 week period.
Recommendation Changes - The number of broker upgrades and downgrades in the last 120 days.

Price Target
The price target is based on the predictions of analysts covering the stock and shows the high, low and mean price expected within the next 12 months.

Earnings Per Share
The quarterly and annual earnings per share are presented when available, along with the mean, high and low. Quarterly data is displayed for the past 4 quarters (actual) and the next 2 quarters (estimated). Annual data is displayed for the past 2 years (actual) and the next 2 years (estimated).

Mean Estimate Trend
The mean estimates show how the consensus has changed over the past 30 days and 90 days for the upcoming two quarters (when available) and two years. The percentage change is calculated for the company as a means for comparison by measuring the difference between the current consensus estimate and that of 90 days ago.

Analyst Recommendations
The I/B/E/S Mean is the average recommendation of all analysts covering the stock, as provided by Thomson Reuters I/B/E/S (Institutional Brokers Estimate System). The recommendations are presented on a five-point standardized scale: strong buy, buy, hold, reduce, and sell.

Earnings Surprises
The surprise summary includes the total number of time periods (and percentage) in the last 12 quarters (quarterly) or last 4 years (annual) in which earnings surprises were positive, negative, or in-line. In order to be recognized as a positive or negative surprise, the percent must be greater than 2% above or 2% below the consensus, respectively.
The surprise detail section includes a listing of the company's quarterly earnings reported for the most recent 6 periods (quarters or years). The consensus analyst estimate is provided to determine if the actual earnings report represented a positive surprise, negative surprise, or in-line result.

Fundamental
The Fundamental Rating is based on a combination of four fundamental component factors: profitability, debt, earnings quality, and dividend. Companies that do not pay a dividend are not penalized. Each factor is equally weighted. Then, equal deciles are used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. A stock needs to have at least two of the four fundamental factors present in order to receive a score.

Profitability is comprised of four data elements.
- Revenue Growth: (Net Sales – Previous Net Sales) / Previous Net Sales
- Gross Margin: Gross Profit / Net Sales
- Return on Equity: Net Income / Total Equity
- Net Margin: Net Profit / Net Sales
Debt is comprised of four data elements.
- Current Ratio: Current Assets / Current Liabilities
- Debt-to-Capital: Total Debt / Total Capital
- Interest Funding: (Interest Expense on Debt + Preferred Cash Dividends) / Funds from Operations
- Interest Coverage: Earnings before Interest and Taxes / (Interest Expense on Debt + Preferred Cash Dividends)
Earnings Quality is comprised of four data elements.
- Operating Cash Yield: (Operating Cash Flow – Net Income) / Net Income
- Accruals: (Net Income – Operating Cash Flow – Investing Cash Flow) / Average Net Operating Assets
- Days Sales in Inventory: 365 / (Cost of Goods Sold / Inventory)
- Days Sales in Receivables: 365 / (Net Sales / Receivables)
Dividend is comprised of four data elements. The company must have a current dividend yield.
- Dividend Growth Rate: (Dividends per Share – Previous Dividends per Share) / Previous Dividends per Share
- Dividend Payout: Dividends per Share / Earnings per Share
- Dividend Coverage: Funds from Operations / Cash Dividends
- Dividend Yield: Annual Dividends per Share / Current Market Price per Share

Indicator Trend
The fundamental indicator trend displays either quarterly scores over the past three years or annual scores over the past six years, depending on the reporting periods for the country. The best and worst scores can be easily determined from the values shown on the chart for each quarter or year.

Relative Valuation
The Relative Valuation Rating is based on a combination of three component factors: Price to Sales (50% weight), Trailing P/E (25% weight), and Forward P/E (25% weight). After the weightings are considered to combine individual factors, equal deciles are used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. These common valuation metrics are evaluated against the overall market, the index, and the company's own historic 5-year averages. A stock needs to have at least one of the three relative valuation factors in order to receive a score.

Price to Sales: Close Price / (Sales for 4 Quarters or 1 Year / Shares Outstanding)
Trailing P/E: Close Price / Most Recent 4 Quarters or 1 Year of Earnings
Forward P/E: Close Price / Upcoming 4 Quarters or 1 Year of Earnings

Valuation Averages

Negative values are excluded when calculating the averages. A maximum value of 100 is placed on Trailing P/E and Forward P/E, a maximum value of 5 is placed on Forward PEG, and a maximum value of 20 is placed on Price to Sales when calculating the averages. Higher values are rounded down to the maximum for the averages.

Valuation Multiples

The valuation multiples provide the Trailing P/E, Forward P/E, Forward PEG, and Price to Sales for the company and the S&P 500 index average. In addition, a comparison of the current company's values to its 5-year average and an industry average are presented. A discount occurs when the company's ratio is valued more favorably (lower) than that to which it is compared.

Risk

The Risk Rating displays stocks on a scale of 1 to 10 with 10 being awarded to the least risky stocks. It is derived by looking at a series of long-term (5-year) and short-term (90-day) stock performance measures including volatility, magnitude of returns, beta, and correlation. Each factor is equally weighted. Then, equal deciles are used to rank each stock across the market. A stock needs to have at least two of the four risk factors in order to receive a score.

Magnitude of Returns – The best / worst daily returns in the past 90 days and the best / worst monthly returns in the past 60 months.
Volatility – The standard deviation of the stock price over the last 90 days and last 60 months, along with the average and largest intra-day stock swing.
Beta – Measures the tendency of a security's returns to respond to swings in the market, based on the beta of the company versus the relevant index.
Correlation – Determines how closely the returns of the stock and the relevant index move together, measured over the last 90 days and last 60 months.

Risk Analysis

Price analysis for the company and the relevant index is provided over two time periods. Daily analysis is provided for the last 90 days, whereas monthly statistics are used for the last 60 months.

Price Momentum

The Price Momentum Rating is based on a combination of two technical performance factors: relative strength (70% weight) and seasonality (30% weight). After the weightings are considered to combine individual factors, equal deciles are used to rank each stock across the market on a scale of 1 to 10, with 10 being most favorable. A stock needs to have data for the relative strength factor in order to receive a score.

Relative Strength – The relative strength of the company for the last 1 month, 3 months, and 6 months on a scale of 1 to 100.
Seasonality – The average monthly return (price performance) for the current month and next 2 months for the company and industry, over the past 10 years. A lower industry rank indicates a higher return.

Price Performance

Daily close prices are used to calculate the price performance of the stock. The performance of the relevant index is also displayed as a means of comparison.