

Tour of The Financial Web Page

Topics to be Discussed

- Basic Stock Quotes
- Key Statistics
 - Market Capitalization
 - Enterprise Value
 - PEG Ratio
- Trading Information
 - Beta
 - Charts
 - Technical Analysis

Basic Stock Quotes



We will be discussing the finance.yahoo.com site.



- Last Trade** This is the price at which the most recent trade was executed. At the end of a trading day the last trade price would be called the closing price. The closing price is used for valuing portfolios and other purposes.
- Change** The "change" is the difference between the current price (Last trade) and the previous day's closing price.
- Previous Close** The "previous close" price was the last trade price that occurred on the previous trading day.
- Open** This price represents the selling price for the first stock sale on a particular trading date.

Basic Stock Quotes (continued)

Bristol-Myers Squibb Company Co (NYSE: BMY)
 After Hours: **25.90** ↑ 0.10 (0.39%) 6:54PM EST

Last Trade:	25.80	Day's Range:	25.71 - 25.96
Trade Time:	Jan 7	52wk Range:	22.24 - 28.00
Change:	↓ 0.04 (0.15%)	Volume:	11,287,598
Prev Close:	25.84	Avg Vol (3m):	9,138,290
Open:	25.91	Market Cap:	44.16B
Bid:	25.50 x 500	P/E (ttm):	4.36
Ask:	26.75 x 100	EPS (ttm):	5.92
1y Target Est:	26.89	Div & Yield:	1.32 (5.10%)

[+ Add to Portfolio](#) [Like](#) 26 [?](#)

Bristol-Myers Squibb Company Co
■ BMY Jan 7, 4:00pm EST

© Yahoo! Previous Close

1d 5d 3m 6m 1y 2y 5y max

Bid

This is the highest price that someone is willing to pay to buy shares of stock. This also means that this is the highest price you can expect to get for your shares of stock when selling them.

Ask

The ask price is the lowest price you can pay for the stock. This is because it's the lowest price any seller is offering their shares of stock for.

from prior date

BRISTOL-MYERS SQUIBB (RT-BATS: BMY)

Last Trade:	24.93
Trade Time:	12:42pm ET
Change:	↓ -0.31 (-1.23%)
Bid:	24.92 x 5,178
Ask:	24.94 x 6,880

This is a free Real-Time quote. Each Real-Time quote is from BATS Exchange and does not necessarily represent the top bids or asks in the marketplace.

Order Book

Top of Book

Bid		Ask	
Price	Size	Price	Size
24.92	5,178	24.94	6,880
24.91	3,320	24.95	5,300
24.90	5,100	24.96	5,034
24.89	6,300	24.97	9,900
24.88	4,900	24.98	4,300

Basic Stock Quotes (continued)

Bristol-Myers Squibb Company Co (NYSE: BMY) + Add to Portfolio Like 26 ?

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Bristol-Myers Squibb Company Co

■ BMY Jan 7, 4:00pm EST

26.00
25.95
25.90
25.85
25.80
25.75
25.70

10am 12pm 2pm 4pm

© Yahoo! Previous Close

1d 5d 3m 6m 1y 2y 5y max

1y Target Est.

The 1 year target price estimate represents the median target price as forecast by analysts covering the stock.

Click on Analyst Opinion

Analyst Coverage

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Analyst Opinion

Price Target Summary	
Mean Target:	26.89
Median Target:	27.50
High Target:	31.50
Low Target:	20.20
No. of Brokers:	16

Basic Stock Quotes (continued)



Day's Range These numbers indicate the highest and lowest prices paid for the stock during the particular trading date.

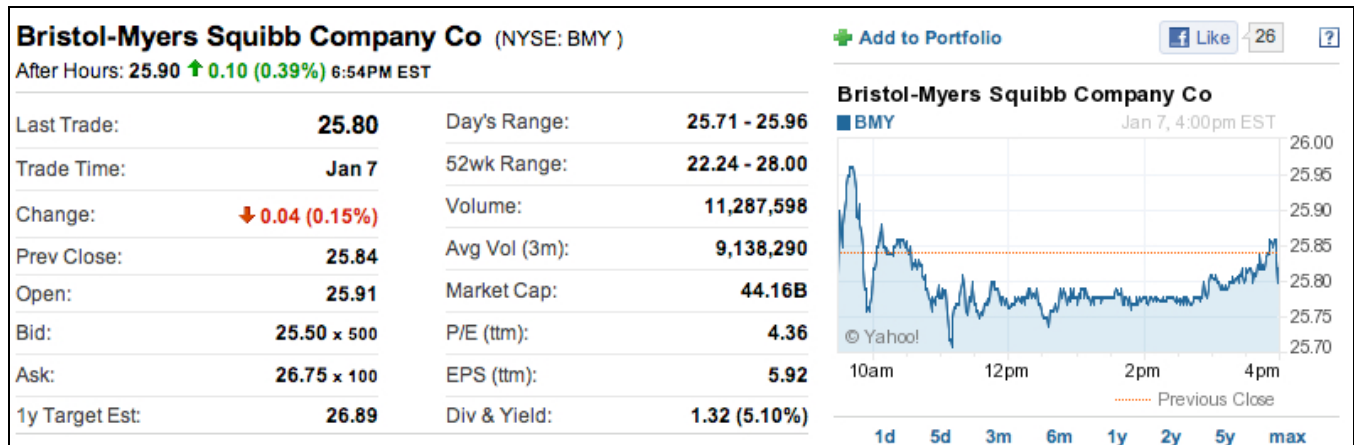
52wk Range These numbers indicate the highest and lowest prices paid for the stock over the past 52 weeks.

Volume This number indicates the number of shares traded so far on the particular trading date.

Avg Vol (3m) This number indicates the average number of shares traded during the past three months for this particular stock.

Some analysts stress the importance of the amount of volume that occurs in the trading of a security. A sharp rise in volume is deemed to signal future sharp rises or falls in price, because it reflects increased interest in a security.

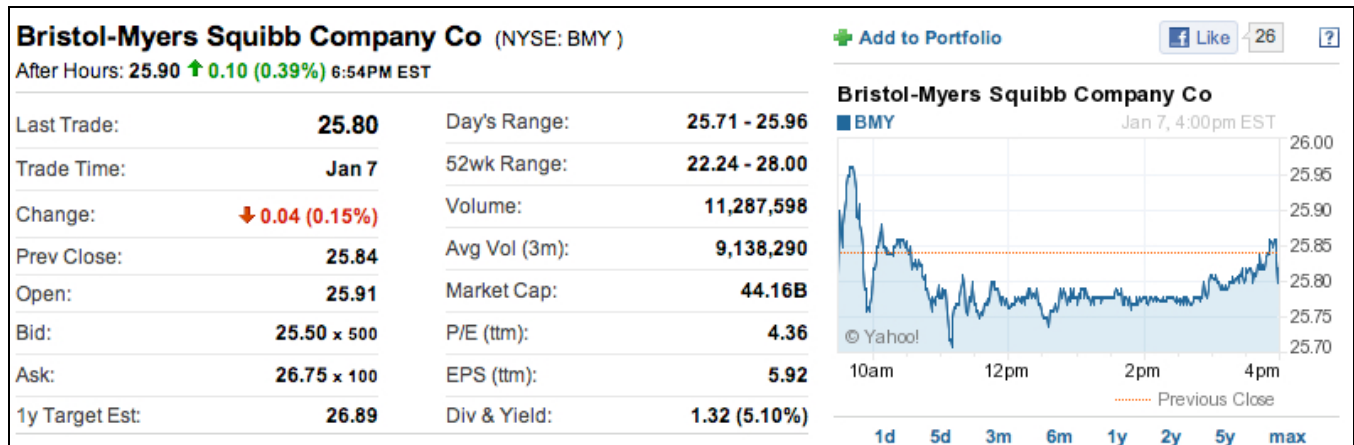
Basic Stock Quotes (continued)



Market Cap

- ☛ total dollar market value of the shares of stock outstanding
- ☛ total number of shares held by stockholders multiplied by the current selling price
- ☛ Market capitalization may increase or decrease for reasons unrelated to performance such as acquisition, divestitures and stock repurchases
- ☛ Smaller cap stocks (\$300 million to \$2 billion) may offer the potential for greater long-term results.
- ☛ Smaller cap stocks generally associated with a higher risk of failure because small companies are sometimes under-funded and may not be well-established in the marketplace.
- ☛ Small cap stocks tend to enjoy favor when the economy is strong and smaller companies are less likely to struggle financially.
- ☛ Large cap stocks (\$10 billion to \$200 billion) may be favored when the economy and market are in a downturn, because larger companies are perceived as more able to weather difficult times than their smaller counterparts.

Basic Stock Quotes (continued)



P/E (ttm)

The P-E, or price-earnings, ratio is the result of dividing the latest closing price by the latest available earnings per share. (Earnings per share is profit divided by the number of shares outstanding.)

ttm – trailing twelve months. In this case, the price/earnings ratio would be calculated by dividing the current market price by the earnings per share from the past twelve months.

- ☛ P/E ratio does not tell much about the firm
- ☛ a higher than average P/E ratio may mean
 - ◆ stock is overpriced
 - ◆ company is excellent, and P/E ratio is justified
- ☛ a lower than average P/E ratio may mean
 - ◆ stock is undervalued
 - ◆ company is riskier than most, and P/E ratio is justified
- ☛ interpretation of ratio is affected by
 - ◆ relative risk
 - ◆ stability of earnings
 - ◆ trends of earnings
 - ◆ market's perception of growth potential of stock
- ☛ typical P/E ratios have varied over the years

<u>Description</u>	<u>1 Day Price Change %</u>	<u>Market Cap</u>	<u>P/E</u> ▾
Sector: Healthcare	0.08	15887.7B	19.64
Industry: Drug Manufacturers - Major (More Info)	0.20	12205.6B	13.90
Companies			
Dechra Pharmaceuticals PLC (DPH.L)	-0.19	34.0B	2582.92
Hikma Pharmaceuticals PLC (HIK.L)	-2.63	76.9B	869.80
GlaxoSmithKline PLC (GSK.L)	-0.55	3194.0B	813.47
AstraZeneca PLC (AZN.L)	0.54	4208.7B	537.00
Shire PLC (SHP.L)	0.07	276.8B	471.26
Transgene Biotek Ltd. (TRABI.BO)	-6.16	804.3M	187.50
Aoxing Pharmaceutical Company. (AXN)	1.69	139.9M	177.06
Zandu Realty Ltd (ZANDUREAL.NS)	0.60	2.1B	154.26
Brawn Pharmaceuticals Ltd. (BRAWN.BO)	-5.83	419.2M	93.97

<u>Description</u>	<u>1 Day Price Change %</u>	<u>Market Cap</u>	<u>P/E</u> ▲
Sector: Healthcare	0.08	15887.7B	19.64
Industry: Drug Manufacturers - Major (More Info)	0.20	12205.6B	13.90
Companies			
Tetragenex Pharmaceuticals, In (TTRXQ.PK)	0.00	0.2M	0.21
Tetragenex Pharmaceuticals, In (TTRXQ.PK)	0.00	0.4M	0.42
Piramal Healthcare Ltd. (PIRAMALHE.BO)	0.19	97.3B	0.75
Piramal Healthcare Ltd. (PIRHEALTH.NS)	-0.49	97.2B	0.75
Ind-Swift Ltd. (INDSWIF.BO)	-1.76	1.3B	3.47
Ankur Drugs & Pharma Ltd. (ANKURDR.BO)	6.25	1.8B	4.06
Ankur Drugs & Pharma Ltd. (ANKURDRUG.NS)	5.97	1.8B	4.08
Bristol-Myers Squibb Company (BMY)	-0.08	45.1B	4.45
Skystar Bio Pharmaceutical Com (SKBI)	-1.40	60.4M	4.74

EPS(ttm)

Earnings Per Share (EPS) is stated for the most recent 12 months (ttm, trailing twelve months). It represents primary earnings from continuing operations attributable to each share of common stock outstanding.

Click on Competitors

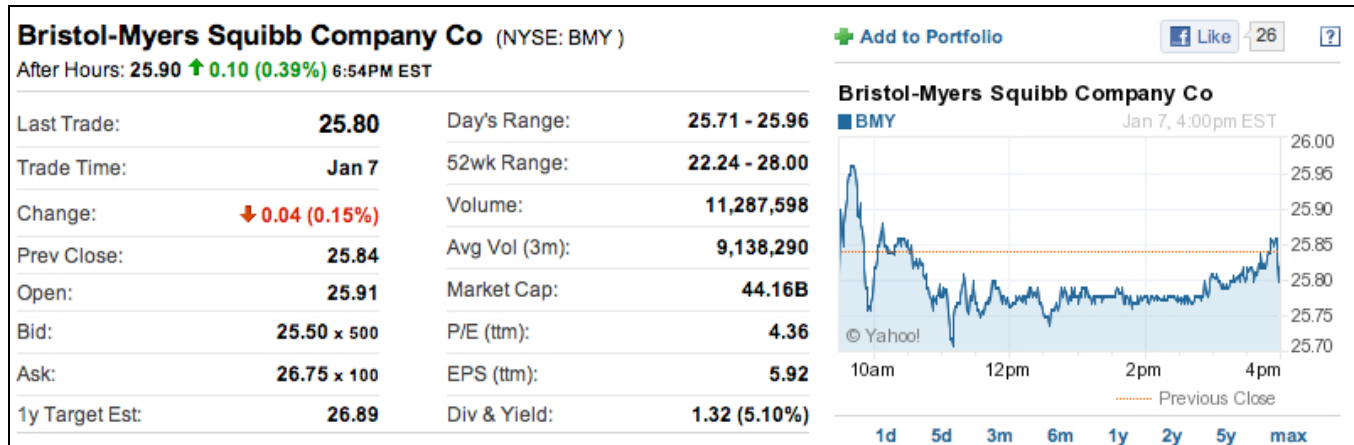
- Company Profile
- Key Statistics
- SEC Filings
- Competitors
- Industry
- Components

Direct Competitor Comparison					
	BMY	AZN	MRK	PFE	Industry
Market Cap:	44.16B	66.90B	115.07B	146.90B	1.34B
Employees:	28,000	62,700	100,000	111,500	1.40K
Qtrly Rev Growth (yoy):	0.20%	-3.70%	83.90%	39.20%	14.60%
Revenue (ttm):	19.41B	33.60B	43.99B	66.78B	4.50B
Gross Margin (ttm):	73.33%	81.74%	62.69%	78.06%	55.16%
EBITDA (ttm):	6.31B	14.81B	13.67B	26.52B	41.91M
Operating Margin (ttm):	29.06%	39.26%	16.49%	27.69%	16.33%
Net Income (ttm):	3.36B	7.98B	7.86B	6.13B	N/A
EPS (ttm):	5.92	5.50	2.59	0.76	1.78
P/E (ttm):	4.36	8.54	14.44	24.04	14.89
PEG (5 yr expected):	5.13	5.25	1.89	2.78	0.76
P/S (ttm):	2.28	2.00	2.60	2.18	2.00

AZN = AstraZeneca PLC
MRK = Merck & Co. Inc.
PFE = Pfizer Inc.
Industry = Drug Manufacturers - Major

• need to know total number of shares

Basic Stock Quotes (continued)



Div & Yield

The dividend number represents the stock's annual cash dividend, if any, based on the rate of the last quarterly payout to shareholders. The percentage dividend yield is obtained by dividing the cash dividend by the closing price of the stock. This enables dividend yields to be compared with other stocks and with the interest paid on debt instruments.

- ☛ the yield does not consider the effects of changes in the market price of the security.
- ☛ it is usually either higher earnings, or management's reasonable expectation of higher earnings, that prompt an increase in dividend

Dividend yield trap

- Dividend/Stock Price = 5/50 = 10% yield
- Dividend/Stock Price = 5/30 = 16% yield

Basic Stock Quotes (continued)

BRISTOL-MYERS SQUIBB (NYSE: BMY)

Real-Time: 25.11 -0.12 (-0.48%) 12:29pm ET

Last Trade: 25.1401	Day's Range: 25.10 - 25.29	
Trade Time: 12:14pm ET	52wk Range: 17.23 - 26.62	
Change: ↓ 0.0899 (0.36%)	Volume: 6,383,093	<p>1d 5d 3m 6m 1y 2y 5y max</p> <p style="text-align: right;">customize chart</p>
Prev Close: 25.23	Avg Vol (3m): 24,259,000	<ul style="list-style-type: none"> + Add BMY to Your Portfolio 🔔 Set Alert for BMY 📄 Download Data 📄 Download Annual Report 📱 Updates on your phone + Add Quotes to Your Web Site
Open: 25.17	Market Cap: 49.80B	
Bid: N/A	P/E (ttm): 13.01	
Ask: N/A	EPS (ttm): 1.933	
1y Target Est: 24.99	Div & Yield: 1.28 (5.00%)	

Quotes delayed, except where indicated otherwise. For consolidated real-time quotes (incl. pre/post market data), sign up for a free trial of Real-time Quotes.





Key Statistics

Click on
"More Key Statistics"

Key Statistics	
Forward P/E (1 yr):	11.47
P/S (ttm):	2.28
Ex-Dividend Date:	05-Jan-11
» More Key Statistics	

Key Statistics

Data provided by [Capital IQ](#), except where noted.

Valuation Measures	
Market Cap (intraday) ⁵ :	44.16B
Enterprise Value (Jan 9, 2011) ³ :	42.59B
Trailing P/E (ttm, intraday):	4.36
Forward P/E (fye Dec 31, 2011) ¹ :	11.47
PEG Ratio (5 yr expected) ¹ :	5.13
Price/Sales (ttm):	2.28
Price/Book (mrq):	2.77
Enterprise Value/Revenue (ttm) ³ :	2.19
Enterprise Value/EBITDA (ttm) ³ :	6.75

Market Capitalization

- total dollar market value of the shares of stock outstanding
- total number of shares held by stockholders multiplied by the current selling price
- market capitalization may increase or decrease for reasons unrelated to performance such as acquisition, divestitures and stock repurchases

Enterprise Value

- market capitalization ignores debt. Enterprise value is a modification of market capitalization, incorporating debt.

Enterprise Value (continued)

$$\begin{array}{r} \text{Company A} \\ \text{Market Value} \times \text{Shares} = \text{Market Cap.} \\ \$30 \quad \times \quad 100 = \quad \$3,000 \end{array}$$

$$\begin{array}{r} \text{Company B} \\ \text{Market Value} \times \text{Shares} = \text{Market Cap.} \\ \$20 \quad \times \quad 150 = \quad \$3,000 \end{array}$$

If a company has debt, that increases the amount that we would need to pay to acquire the entire company, and thus increases the enterprise value.

$$\begin{array}{r} \text{Company A} \\ \text{Debt} = \$0 \\ \text{To totally acquire company we need to pay} \\ \\ \text{Stock} + \text{Debt} = \text{Enterprise Value} \\ \$3,000 + \$0 = \quad \$3,000 \end{array}$$

$$\begin{array}{r} \text{Company B} \\ \text{Debt} = \$1,000 \\ \text{To totally acquire company we need to pay} \\ \\ \text{Stock} + \text{Debt} = \text{Enterprise Value} \\ \$3,000 + \$1,000 = \quad \$4,000 \end{array}$$

If a company has cash and cash equivalents, that decreases the amount of the enterprise value because we would instantly have the company cash available upon purchasing the company

$$\begin{array}{r} \text{Company A} \\ \text{Cash} = \$0 \\ \text{To totally acquire company we need to pay} \\ \\ \text{Stock} + \text{Debt} - \text{Cash} = \text{Enterprise Value} \\ \$3,000 + \$0 - \$0 = \quad \$3,000 \end{array}$$

$$\begin{array}{r} \text{Company B} \\ \text{Cash} = \$500 \\ \text{To totally acquire company we need to pay} \\ \\ \text{Stock} + \text{Debt} - \text{Cash} = \text{Enterprise Value} \\ \$3,000 + \$1,000 - \$500 = \quad \$3,500 \end{array}$$

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Valuation Measures	
Market Cap (intraday) ⁵ :	44.16B
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PEG Ratio

- used to determine a stock's value while taking into account earnings growth
- compares a stock's price/earnings ("P/E") ratio to its expected EPS growth rate

$$\text{PEG Ratio} = (\text{Price/Earnings Ratio}) / \text{Annual EPS Growth}$$

- favored over P/E ratio because it accounts for growth
- if PEG ratio is equal to one, market is pricing the stock to fully reflect the stock's EPS growth
- if PEG ratio is greater than one it indicates that the stock is possibly overvalued
- if PEG ratio is less than one it indicates that the stock is possibly undervalued

Analyst Coverage

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[Research Reports](#)

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Click on Analyst Estimates

Growth Est	BMJ	Industry	Sector	S&P 500
Current Qtr.	2.10%	39.60%	72.60%	64.80%
Next Qtr.	1.80%	86.90%	-70.40%	42.10%
This Year	16.80%	43.10%	40.90%	40.90%
Next Year	4.20%	54.40%	38.40%	13.80%
Past 5 Years (per annum)	17.30%	N/A	N/A	N/A
Next 5 Years (per annum)	2.33%	10.16%	14.75%	10.72%
Price/Earnings (avg. for comparison categories)	11.96	2.08	4.52	15.57
PEG Ratio (avg. for comparison categories)	5.13	0.25	0.44	1.04

For Bristol-Myers-Squibb:

$$\text{PEG Ratio} = (\text{P/E Ratio}) / \text{Annual EPS Growth}$$

$$= 11.96 / 2.33\% = 5.13$$

Financial Highlights

We will look at financial highlights when we discuss the fundamental analysis of stocks

Trading Information

Trading Information	
Stock Price History	
Beta:	0.58
52-Week Change ³ :	3.95%
S&P500 52-Week Change ³ :	11.05%
52-Week High (Sep 23, 2010) ³ :	28.00
52-Week Low (May 25, 2010) ³ :	22.24
50-Day Moving Average ³ :	26.11
200-Day Moving Average ³ :	26.27

- ☛ a measure of a security’s volatility in comparison to the market as a whole
- ☛ beta of 1 indicates that the security’s price will move with the market. If a stock has a beta of one, it will move the same amount and direction as the stock market index (e.g., S&P 500).
- ☛ beta less than 1 means that the security will be less volatile than the market.
- ☛ beta greater than 1 indicates that the security’s price will be more volatile than the market. If a stock’s beta is 1.2, it’s theoretically 20% more volatile than the market.



Bristol-Myers Squibb (BMY) beta 0.58

Monarch Casino & Resort Inc. (Reno, NV) (MCRI) beta 1.80

^GSPC is Standard and Poors 500

Basic Chart



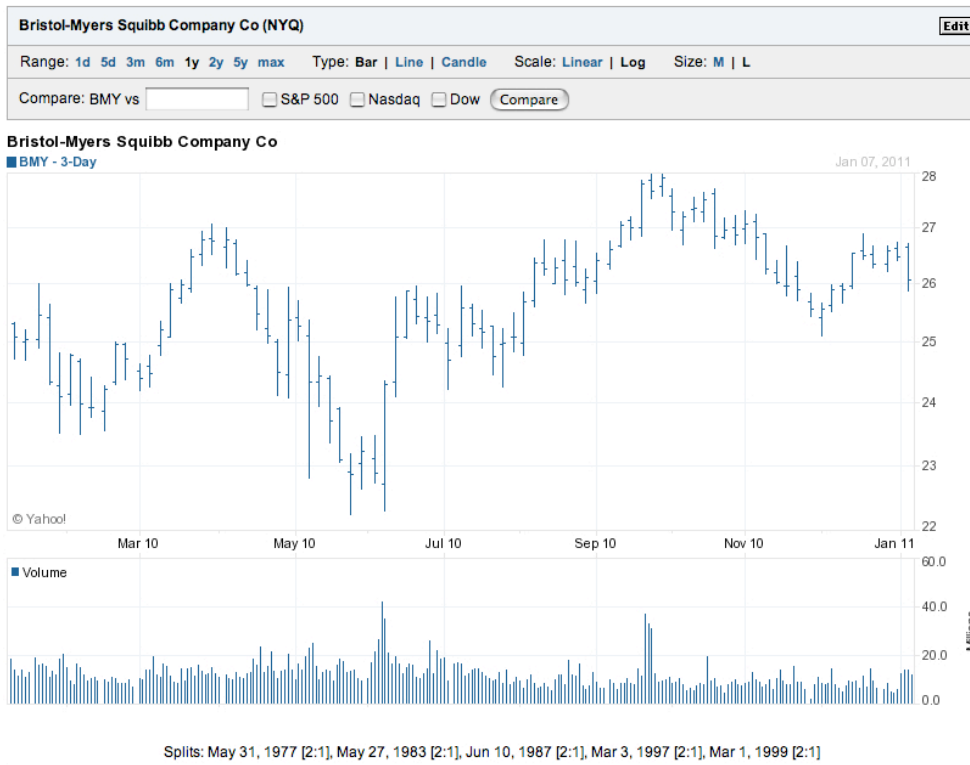
Range

- as mentioned previously, when comparing different companies, different time ranges may show companies in a different order of success

Types of Chart

Line chart – shown above

Bar Chart



Candlestick Chart

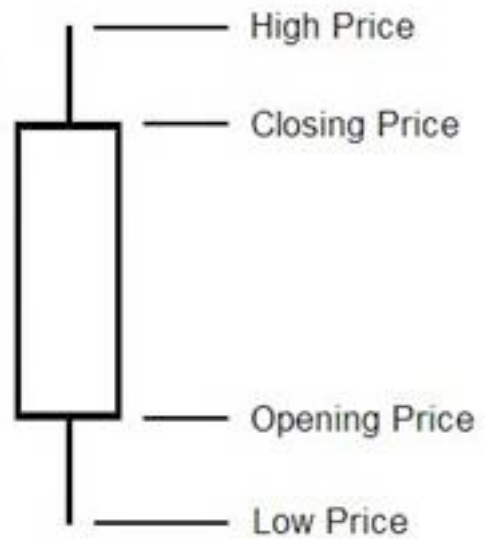


Candlestick Chart (continued)

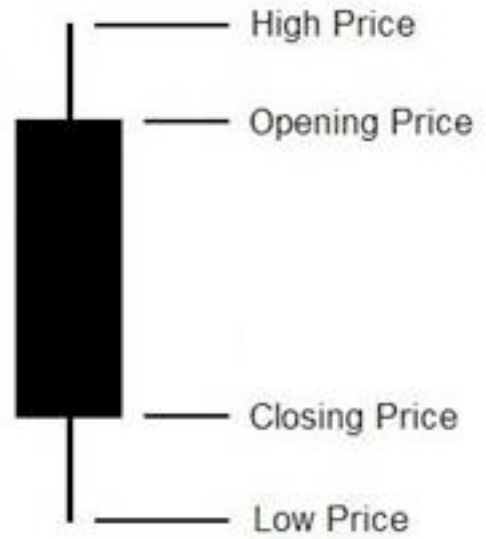


Examples of Candlestick Charts

Bullish Pattern

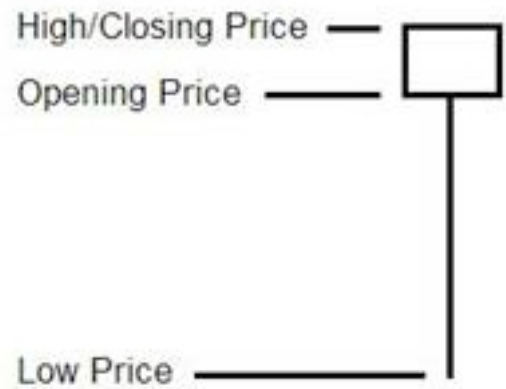


Bearish Pattern



The Hammer

Bullish pattern if it occurs after stock price has dropped for several days. The pattern can indicate that a reversal in the downtrend is in the works.



A Star

Typically indicates a reversal and/or indecision.



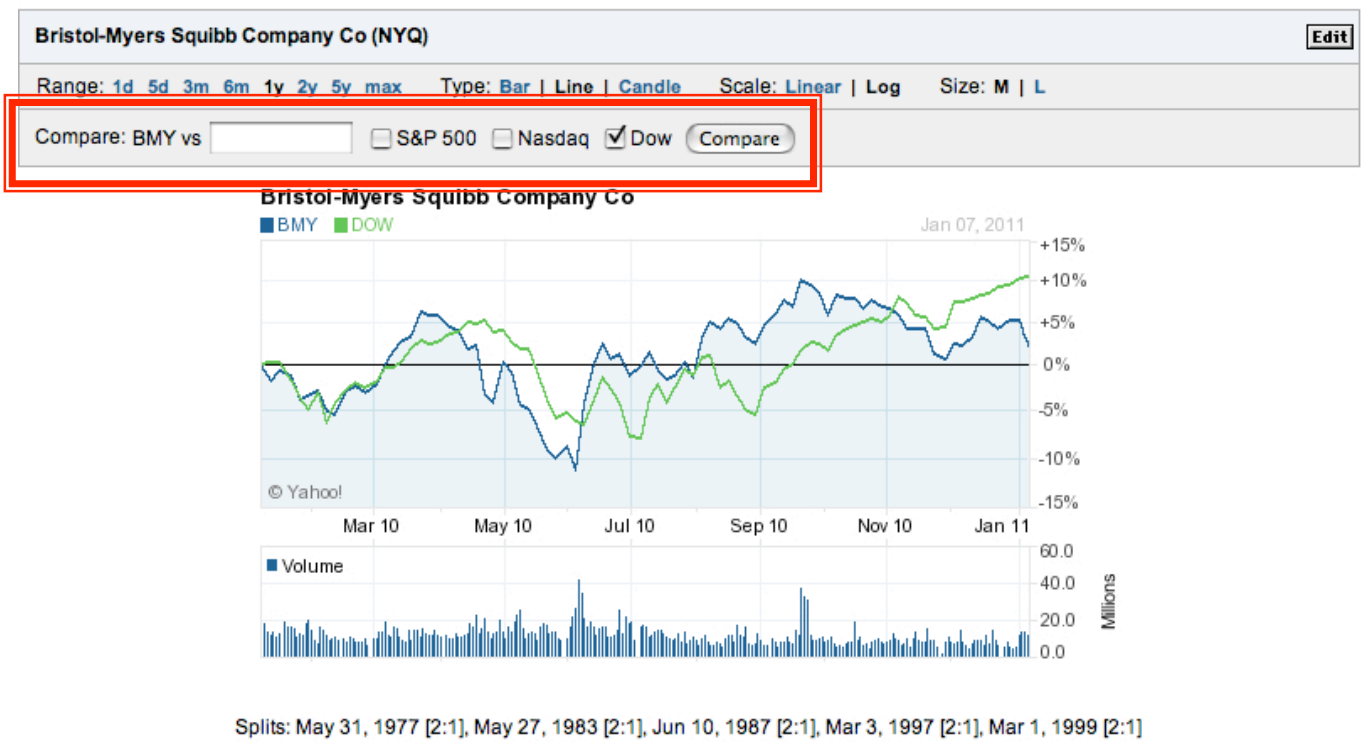
Scale

Linear Scale On a linear scale all whole numbers are equidistant from each other. The distance between one and two is the same as the distance between 137 and 138.

Logarithmic Scale On a logarithmic scale the distance between numbers is not equal; rather they are equally spaced percentage-wise. The distance between one and two is the same as the distance between 400 and 800.

- ☛ most traders using charts use the logarithmic scale
- ☛ an increase from \$10 to \$15 has the same weight on a linear scale chart as an increase from \$100 to \$105
- ☛ most often the change at the lower price is clearly more significant than the change at the higher price
- ☛ thus the logarithmic scale chart would be more useful

Compare Companies/Stock Indexes



Technical Analysis

Charts[Interactive](#)[Basic Chart](#)[Basic Tech. Analysis](#)

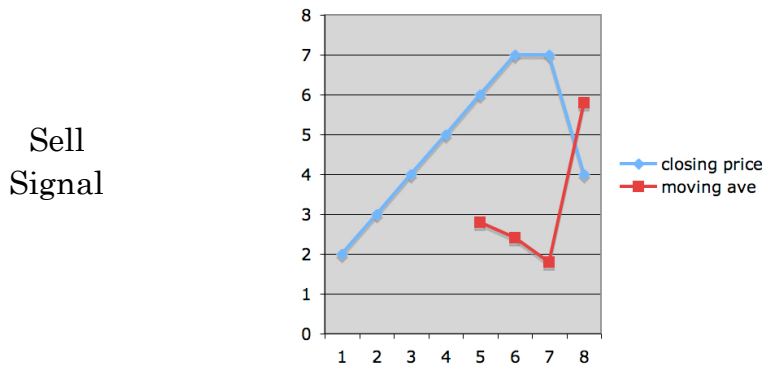
Click on Basic Technical Analysis

Bristol-Myers Squibb Company Co (NYQ)	
Range: 1d 5d 3m 6m 1y 2y 5y max	Type: Bar Line Candle Scale: Linear Log Size: M L
Moving Avg: 5 10 20 50 100 200	EMA: 5 10 20 50 100 200
Indicators: MACD MFI ROC RSI Slow Stoch Fast Stoch Vol Vol+MA W%R	
Overlays: Bollinger Bands Parabolic SAR Splits Volume	
Compare: BMY vs <input type="text"/>	<input type="button" value="Compare"/>

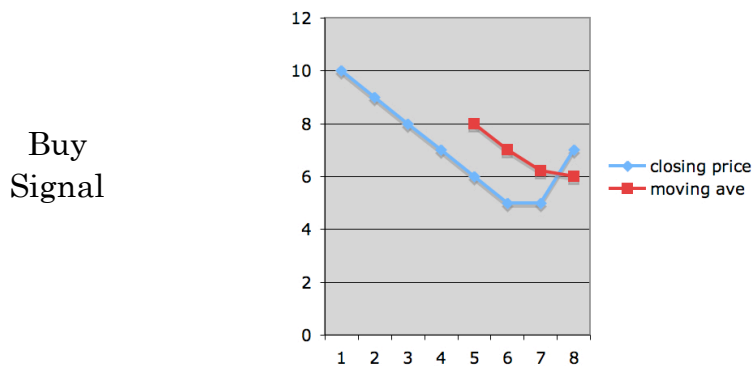
Moving Average

- most traders using a method of calculating the average value of a security's price over a period of time
- as the security's price changes over time, its average price moves up or down
- the only significant difference between the various types of moving averages is the weight assigned to the most recent data
- the most popular method of interpreting a moving average of a security's stock price is to compare it to the security's closing price
- a sell signal is generated when the security's price falls below its moving average
- a buy signal is generated when the security's price rises above its moving average
- this analysis is designed to keep the investor in line with the security's price trend by buying shortly after the security's price bottoms and selling shortly after it tops
- the most popular moving average is the 39-week (or 200-day) moving average

Time Period	Closing Price	5-day Moving Average
1	2	
2	3	
3	4	
4	5	
5	6	4.0
6	7	5.0
7	7	5.8
8	4	5.8



Time Period	Closing Price	5-day Moving Average
1	10	
2	9	
3	8	
4	7	
5	6	8.0
6	5	7.0
7	5	6.2
8	7	6.0



Bristol-Myers Squibb Company Co (NYQ)			
Range: 1d 5d 3m 6m 1y 2y 5y max	Type: Bar Line Candle	Scale: Linear Log	Size: M L
Moving Avg: 5 10 20 50 100 200	EMA: 5 10 20 50 100 200		
Indicators: MACD MFI ROC RSI Slow Stoch Fast Stoch Vol Vol+MA W%R			
Overlays: Bollinger Bands Parabolic SAR Splits Volume			
Compare: BMY vs <input type="text"/>	<input type="button" value="Compare"/>		

- a simple moving average is just an arithmetic mean
- the exponential moving average weights the most recent price data most heavily
- the longer the period for which you calculate the moving average, the less of an impact the exponential weighting has on the most recent data
- moving averages are lagging indicators. By weighting recent price data more heavily, exponential moving averages attempt to speed up the signal given.
- the more rapid signal can sometimes be premature and therefore give the investor a false indication to trade

Bristol-Myers Squibb Company Co (NYQ)

Range: 1d 5d 3m 6m 1y 2y 5y max Type: Bar | Line | Candle Scale: Linear | Log Size: M | L

Moving Avg: 5 | 10 | 20 | 50 | 100 | 200 EMA: 5 | 10 | 20 | 50 | 100 | 200

Indicators: MACD | MEI | BOC | RSI | Slow Stoch | Fast Stoch | Vol | Vol+MA | W%R

Overlays: **Bollinger Bands** | Parabolic SAR | Splits | Volume

Compare: BMY vs

Bollinger Band

- ☛ a band plotted two standard deviations away from a simple moving average
- ☛ because the standard deviation is a measure of volatility, Bollinger bands adjust themselves to the market conditions
- ☛ the investor needs to select the number of periods and the number of standard deviations
 - ◆ the recommended values are 20 periods and 2 standard deviations
- ☛ Mr. Bollinger notes the following characteristics of Bollinger Bands:
 - ◆ when prices move outside the bands, a continuation of the trend is implied
 - ◆ a move that originates at one band tends to go all the way to the other band. This observation is useful when projecting price targets.

