MSI Week Ended September 30th

The Maine Stock Exchange ended with an increase this week. The increase was 0.15% to 110.36. There were not many major changes this week. Fourteen stocks had an increase in price from last week, two stocks were unchanged and twelve stocks had a decrease in price. Rite Aid was down 4.97%, but that only represented a $0.40 decrease in the stock price. The other large percentage move in stock price was Valero (VLO) which had a decrease of 4.80% to $53.00.

Rite Aid (RAD): WBA: Walgreens Boots Alliance is looking to acquire Rite Aid, which is the third largest drugstore retailer. CNBC reported that this trade is most likely going to happen. Walgreens has recently provided an update on this acquisition. For this to go through both companies must close 500 to 1,000 of their stores. “That’ll leave them around 12,000 total stores.” (GuruFocus).

Valero (VLO): A put option defined by Investopedia is, “an option contract giving the owner the right, but not the obligation, to sell a specified amount of an underlying security at a specified price within a specified time.” opinionMONSTER stated that before September 29 there were only 219 put contracts. There was a purchase by one large trader of 5,946 put contracts expiring in October. These put options can be used to speculate on a potential drop in price on a stock. Valero is up six percent in the last three months, but has recently been falling.

The Maine Stock Index was developed by Marie Kenney, while a student at Husson University, in consultation with Associate Professor J. Douglas Wellington. The index is currently being tracked and analyzed by Husson student Zoe Nielsen. The index tracks and analyzes 28 companies that are considered to have an effect on the Maine economy. These companies are either based in Maine or have an influence on the Maine economy through employment, number of consumers, and overall presence in the State. This price-weighted index offers a numerical break down of Maine’s economy. The analysis looks into the events of the week and finds the likely reasons the index was up or down. The index and analysis help provide a better understanding of Maine’s economy and offer an explanation of significant changes in the stock prices of the companies that comprise the Maine Stock Index.

GuruFocus.com, Jonathan Poland (September 27th, 2016) Rite Aid is a Solid Risk Arbitrage Trade. Retrieved from <http://www.gurufocus.com/news/446331/rite-aid-is-a-solid-risk-arbitrage-trade>

optionMonster (September 30th, 2016). What’s Behind Valero Energy Put Trade.. Retrieved from <http://www.optionmonster.com/news/article.php?page=whats_behind_valero_energy_put_trade_116455.html>