

HSI WEEK ENDED DECEMBER 7, 2018

The Husson Stock Index (HSI) decreased from 146.65 on November 30, to 140.20 representing a (4.40%) change for the week ended December 7, 2018.

Uncertainty continues to loom over the heads of investors as the Dow and many other indices took a dip this week on the back of unsolidified trade talks between the United States and China, as well as the arrest of Huawei CFO, Meng Wanzhou. Additionally, there was a jobs report that missed expectations and the gap between two-year and 10-year Treasury yields has narrowed, indicating that the economy may be heading towards a recession. With respect to the HSI, only 3 stocks remained positive for the week: Avangrid Inc [AGR], athenahealth [ATHN], and Penn National Gaming [PENN]. The remaining stocks all reported drops from the week prior, which led the index to plummet of (4.40%).

The highest percentage decrease for the week came from The Bank of America [BAC], which reported a 10.74% drop, a dollar change of (\$3.06) from \$28.49 to \$25.43. Many banks took a significant hit this week as the market took a sharp downturn and Treasury yields fell. BAC, along with CAC, both reported losses over 10% of their prior week's share price.

Lastly, another high percentage change for the week came from the Unum Group [UNM], which posted a decrease of (\$3.66) from \$35.91 to \$32.25, representing (10.19%). It was just reported that Great West Life Assurance Co. decreased their stake in the company by 4.5%. However, a

number of other hedge funds and institutional investors have increased their holdings of UNM over the past two quarters. Hedge funds and other institutional investors own over 90% of the company's stock. The company reported that in for the 3rd quarter it beat analysts' expectations for revenue and earnings per share. There are 15 analysts who cover UNM, with 8 analysts rating the stock a "hold" and 5 analysts rating the stock as "buy" or "outperform".

The HSI 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 Dominick Lizotte. The HSI tracks and analyzes 29 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, and overall presence in the State. This price-weighted index offers a numerical break down of Maine's economy to help provide a better understanding of Maine's economy. The analysis looks into the events of the week and tries to explain significant changes in the stock prices of the companies that comprise the Husson Stock Index.

References

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