

Husson Stock Index Week Ended February 1, 2019

Introduction

The Husson Stock Index (HSI) continued its upward trend with an explosive week, increasing from 141.77 for the week ending, January 25, 2019, to 145.32. This represented a 2.51% increase, and outpaced the S&P 500, which showed an increase of 1.57% over the same period. Year-to-Date (YTD), the HSI has increased 9.98%, and has outpaced the S&P 500, which has showed a 8.88% increase during the same period.¹

Summary

The most substantial increase for the week comes from Charter Communications, Inc. (CHTR), which posted a staggering 17.00% increase. On January 31, the company posted its fourth quarter earnings, which reported \$11.23 billion in revenues, surpassing estimates of \$11.16 billion. In other news, on Friday, February 1st, it was reported that an investigation by the law firm of Kahn Swick &* Foti, LLC. into Charter Communications is being extended. The investigation claims that the company fraudulently misled consumers by promising internet speeds that could not be delivered (Charter Investigation Extended). It will be interesting to see how this news affects the stock in the coming weeks.

Another eye-popping performance comes from Northeast Bancorp (NBN), which, after posting a -2.67% decline the previous week, rebounded with an increase of 10.33%. During its earnings call on January 28th, the company reported a net income of \$5.1 million (\$.56 per diluted common share) for the fourth quarter. This represented a \$1.8 million increase, or 55.1% increase compared to the fourth quarter a year earlier. The Board of Directors also declared a cash dividend of \$.01 per share, payable on February 26, 2019, to any shareholders of record as of February 12, 2019 (Northeast Bancorp Reports).

On the other side of the spectrum, Rite-Aid Corporation (RAD) continues to display extreme volatility, posting a (21.05)% decline for the week. With the stock price dropping below \$1, Rite-Aid risks violating New York Stock Exchange listing rules, and as a result facing the chance of being delisted. In order to avoid this, the company is considering a reverse split, which could reposition the stock price somewhere between \$8 and \$18 per share (Caplinger).

Another stock lagging this week was ImmuCell Corporation (ICCC), which, after posting three positive weeks, pulled back some, posting a (4.20)% decline for the week. There was no information as to the cause of this week's decline, but the decline represents only a \$0.34 decrease in stock price.

Conclusion

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 David Giles. The HSI tracks and analyzes the stocks of 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 or consumer spending. This price-weighted index offers a numerical breakdown of Maine's economy. The analysis looks into the events of the week and finds the likely reasons the index went up or down. This index and analysis helps provide a better understanding of Maine's economy as well as explain significant changes in stock prices of the companies that comprise the HSI.

¹ Calculations for week-to-week and year-to-date are calculated using end-of-week totals. For instance, the year-to-date percentage increases use the end of December 28, 2018 as the starting point, and not December 31, 2018.

Composition of the Husson Stock Index (HSI)

| Ticker Symbol | Stock | Maine Affiliation | Sector |
|---------------|--|-------------------|--------------------------|
| AGR | Avangrid, Inc. | Presence | Utilities |
| ANCUF | Alimentation Couche-Tard, Inc. Class B | Presence | Consumer Staples |
| ATHN | athenahealth, Inc. | Maine-based | Health Care |
| BAC | Bank of America Corporation | Presence | Financials |
| BHB | Bar Harbor Bankshares | Maine-based | Financials |
| CAC | Camden National Corporation | Maine-based | Financials |
| CHTR | Charter Communications, Inc. | Presence | Communications Services |
| CL | Colgate-Palmolive Company | Maine-based | Consumer Staples |
| DRI | Darden Restaurants, Inc. | Presence | Consumer Discretionaries |
| FNLC | The First Bancorp, Inc. | Maine-based | Financials |
| GD | General Dynamics Corporation | Presence | Industrials |
| HLT | Hilton Worldwide Holdings, Inc. | Presence | Consumer Discretionaries |
| HD | The Home Depot, Inc. | Presence | Consumer Discretionaries |
| ICCC | ImmuCell Corporation | Maine-based | Health Care |
| IDXX | IDEXX Laboratories, Inc. | Maine-based | Health Care |
| LOW | Lowe's Companies, Inc. | Presence | Consumer Discretionaries |
| MCD | McDonald's Corporation | Presence | Consumer Discretionaries |
| NBN | Northeast Bancorp | Maine-based | Financials |
| PENN | Penn National Gaming, Inc. | Presence | Consumer Discretionaries |
| RAD | Rite Aid Corporation | Presence | Consumer Staples |
| TD | The Toronto-Dominion Bank | Presence | Financials |

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|------|---------------------------------|----------|------------------------|
| TMUS | T-Mobile US, Inc. | Presence | Consumer Services |
| UPS | United Parcel Service, Inc. | Presence | Industrials |
| UTX | United Technologies Corporation | Presence | Industrials |
| UNM | Unum Group | Presence | Financials |
| VLO | Valero Energy Corporation | Presence | Energy |
| WMT | Walmart, Inc. | Presence | Consumer Staples |
| WEX | WEX, Inc. | Presence | Information Technology |
| WBA | Walgreens Boots Alliance Inc. | Presence | Consumer Staples |

References

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