

Husson Stock Index

Week Ended May 22, 2020

For the week ended May 22, 2020, the Husson Stock Index (HSI) finished the week up 4.82%, closing at 154.57. In comparison, the S&P 500 finished the week up 3.20%. Year-to-date, the HSI is down 9.90%, whereas the S&P 500 is down 8.78%.¹

Summary

In contrast to the prior week, just four HSI stocks experienced an overall decline for the week. Among these four stocks, Rite Aid (NASDAQ:RAD) was the only notable decline with a 3.04% change. Zack's Equity Research suggests that although Rite Aid closed the week down, there is anticipation that the stock will experience some positivity as they approach their next earnings date. While it is expected to see a steep decline in value compared to this earnings date last year and continue to have a small negative earnings per share, "positive estimate revisions [are] a good sign for [RAD's] business outlook" (Zack's, 2020).

For the second week in a row Penn National Gaming (NASDAQ: PENN) and Covetrus, Inc. (NASDAQ: CVET) hold the two highest positive percentage changes in the HSI. The largest positive percentage change was experienced by Penn National Gaming (NASDAQ: PENN) with a 57.00% change. Beginning the week at \$19.35, the stock experienced a significant \$11.03 increase, ending the week at \$30.38. Penn announced the opening of 10 casinos in Louisiana and Mississippi this week. According to Jay Snowden, the President and CEO of PENN, "[PENN's] geographic diversification across 19 states – with no more than 15% of our revenues being derived from any single state – should be a significant benefit as states begin to open casinos on a sequential basis." (Zacks, 2020). This week is a continuation of growth Penn has seen in recent weeks as consumers begin to have a better outlook on the reopening of the country (Brewer, 2020). The significant increases this week are also supported by the company's underwriter increasing last week's public offering of common stock and convertible notes. By doing so the underwriters

¹ Calculations for week-to-week and year-to-date are calculated using end-of-week totals. The year-to-date percentage increases use the end of December 27, 2018 as the starting point, and not December 31, 2018.

“have exercised their options to acquire additional shares of Common Stock and Convertible Notes” making this “the first ever U.S. dual tranche equity/convert offering for a gaming operator.” (Business Wire, 2020)

Covetrus, Inc. (NASDAQ: CVET) held the second largest favorable percentage change of 28.08%, a \$3.42 price change for the week. As noted last week, CVET received the \$250 million investment from Clayton, Dubilier & Rice as a result of an agreement announced at the end of April between the existing shareholder and Covetrus, Inc (Cordes, 2020).

An additional stock that experienced notable growth this week is Northeast Bank (NASDAQ: NBN). The stock finished the week up 15.72%, or a \$2.36 change. The company paid a cash dividend of \$0.01 per share on May 21st (Northeast Bank, 2020). Simply Wall St. notes there is some investor optimism about NBN because its price/earnings ratio of 12.42, which has risen from 8.7 last month, is above the banking industry’s P/E ratio of 9.1 (Simply Wall St., 2020).

Overview

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, Caitlin Cushman. 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 help provide a better understanding of Maine's economy as well as explain significant changes in stock prices of the companies that comprise the HSI.

References

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Composition of the Husson Stock Index (HSI)

Ticker Symbol: Exchange	Stock	Maine Affiliation	Sector
AGR: NYSE	Avangrid, Inc.	Presence	Utilities
ANCUF: TSX	Alimentation Couche-Tard Inc Class B	Presence	Consumer Staples
BAC: NYSE	Bank of America Corporation	Presence	Financials
BHB: NYSE	Bar Harbor Bank	Maine-based	Financials
CAC: NASDAQ	Camden National Corporation	Maine-based	Financials
CHTR: NASDAQ	Charter Communications, Inc.	Presence	Communications Services
CL: NYSE	Colgate-Palmolive Company	Maine-based	Consumer Staples
CVET: NASDAQ	Covetrus, Inc.	Maine-based	Health Care

DRI: NYSE	Darden Restaurants, Inc.	Presence	Consumer Discretionaries
FNLC: NASDAQ	The First Bancorp, Inc.	Maine-based	Financials
GD: NYSE	General Dynamics Corporation	Presence	Industrials
HLT: NYSE	Hilton Worldwide Holdings, Inc.	Presence	Consumer Discretionaries
HD: NYSE	The Home Depot, Inc.	Presence	Consumer Discretionaries
ICCC: NASDAQ	ImmuCell Corporation	Maine-based	Health Care
IDXX: NASDAQ	IDEXX Laboratories, Inc.	Maine-based	Health Care
LOW: NYSE	Lowe's Companies, Inc.	Presence	Consumer Discretionaries
MCD: NYSE	McDonald's Corporation	Presence	Consumer Discretionaries
NBN: NASDAQ	Northeast Bank	Maine-based	Financials

PENN: NASDAQ	Penn National Gaming, Inc.	Presence	Consumer Discretionaries
RAD: NYSE	Rite Aid Corporation	Presence	Consumer Staples
RTX:NYSE	Raytheon Technologies Corporation	Presence	Industrials
TD: NYSE	The Toronto-Dominion Bank	Presence	Financials
TMUS: NASDAQ	T-Mobile US, Inc.	Presence	Consumer Services
UPS; NYSE	United Parcel Service, Inc.	Presence	Industrials
UNM: NYSE	Unum Group	Presence	Financials
VLO: NYSE	Valero Energy Corporation	Presence	Energy
WMT: NYSE	Walmart Inc.	Presence	Consumer Staples
WEX: NYSE	WEX Inc.	Presence	Information Technology

WBA: NASDAQ	Walgreens Boots Alliance, Inc.	Presence	Consumer Staples
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