

Husson Stock Index

Week Ended July 24, 2020

For the week ended July 24, 2020, the Husson Stock Index (HSI) finished the week up 0.68%, closing at 171.42. In comparison, the S&P 500 finished the week down 0.28%. Year-to-date, the HSI is down 0.75%, whereas the S&P 500 is down 0.08%.¹

Summary

Northeast Bancorp (NBN: NASDAQ) broke its nearly month-long trend of weekly declines, rising 5.05%, or \$0.73. NBN announced Tuesday a share repurchase program for up to \$10.2 million or about 7.3% of outstanding common stock (Northeast Bank, 2020). Share buybacks by companies typically signal an undervalue in the stock from the company's metric and also increases short-term earnings per share, buy taking shares out of the market. This announcement accounted for a good portion of the company's gains for the week. It later had another gain on Friday when announcing its earnings call date of July 29th.

Another stock that recently experienced declines, yet moved in a positive direction this week is Bank of America Corporation (BAC: NYSE) gaining 4.87% or \$1.13. BAC had their earnings call Monday with mixed news from company officials resulting in a small increase. CEO Brian Moyihan discussed an increase in reserves as new economic projections show recessionary economic activity well into 2022, suggesting the bank could experience higher credit losses. Moyihan did suggest spending will recover noting that while April spending was down by 26% compared to last April, June was nearly flat as many parts of the country are in the stages of

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.

reopening their economies. The call emphasized their position being optimistic and their structure being resilient in the questionable “start-stop” and recessionary environment due to the pandemic (Bank of America, 2020). The company also announced on Wednesday a cash common stock dividend of \$0.18 per share. to be issued September 25th with a September 4th date of record. This dividend is in addition to their regular preferred stock dividend (Bank of America-Business Wire, 2020). Later in the week, Warren Buffet increased Berkshire Hathaway’s already large stake in BAC to about 11% of the company, the largest of Berkshire’s bank holdings (Narayanan, 2020). The purchases that took place across the week added up to over \$800 million (Chiglinsky, 2020).

Immucell Corp (ICCC: NASDAQ) faced the highest percentage decline in the HSI this week, down 6.04%. This is a change in direction compared to the 10.45% increase in the prior week.

The second highest decline was Rite Aid (RAD: NYSE) with a 4.37% decrease. The decrease in RAD stock happened fairly steadily across the week. The company announced the final results of a previously announced offer to exchange 6.125% Senior Notes due 2023 for 8% Senior Secured Notes 2026 and cash (Business Wire, 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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Rite Aid Announces Final Results of Its Previously Announced Exchange Offer and Related

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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:	Covetrus, Inc.	Maine-based	Health Care

NASDAQ			
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