

HSI WEEK ENDED January 4, 2019

The Husson Stock Index (HSI) increased from 132.16 on December 28, to 135.61 representing a 2.62% change for the week ended January 4, 2019.

This was overall a pretty good week with an increase of 2.62%. The government shutdown is still going on after fourteen days, making it the second longest shutdown in twenty years. Congress and President Trump met to discuss the wall and try to reach an agreement so the partial government shutdown can end, but they have not come to a conclusion yet.

There were two stocks this week with a change above 10%. One of these was Penn National Gaming, Inc. [PENN] with an increase of 13.69%. PENN has a beta of 1.78, which indicates that the stock is expected to be more volatile than the overall market. The company recently missed consensus estimates for revenues and earnings per share. According to Fairfieldcurrent.com, “Two research analysts have rated the stock with a sell rating, five have issued a hold rating and five have issued a buy rating to the stock. The stock currently has a consensus rating of “Hold” and an average price target of \$34.11.” The current price of PENN stock is \$21.18 per share.

The other stock to make a significant rise was Rite Aid Corporation [RAD] with an increase of 12.30%, despite some negative news. The company had to pay a \$300,000 penalty earlier this week for over dispensing drugs in Rhode Island, but that is not the big news for the week.

According to the New York Stock Exchange, the company is no longer compliant with the listing

standards as the 30-day average of a company's listed stock is supposed to be at least \$1. Rite Aid made a public statement on Friday addressing the issue. The company is looking into a variety of options on how to fix this problem, including a reverse split to help increase the stock price. The company might also pursue a merger based on its EnvisionRx Options pharmacy benefit manager subsidiary. RAD has six months to bring their stock price up or the company will be delisted.

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 Mairéad O'Sullivan. 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

Reklaitis, V. (2019, January 04). The government shutdown already ranks as the 2nd longest in 20 years. Retrieved from <https://www.marketwatch.com/story/the-government-shutdown-already-ranks-as-the-2nd-longest-in-20-years-2019-01-03>

Stock Market News For Jan 3, 2019. (2019, January 03). Retrieved from <https://finance.yahoo.com/news/stock-market-news-jan-3-144802151.html>

Brandon Evans. (2019, January 04). Retrieved from <https://nmsunews.com/2019/01/04/do-the-numbers-tell-the-whole-story-penn-national-gaming-inc-penn-host-hotels-resorts-inc-hst/>

Kom, M. (2019, January 05). Penn National Gaming (PENN) Stock Price Up 6.2%. Retrieved from <https://www.fairfieldcurrent.com/news/2019/01/05/penn-national-gaming-penn-stock-price-up-6-2.html>

Mulvaney, K. (2018, December 31). Rite Aid agrees to pay \$300,000 for over-dispensing drugs in R.I. Retrieved from <https://www.providencejournal.com/news/20181231/rite-aid-agrees-to-pay-300000-for-over-dispensing-drugs-in-ri>

Japsen, B. (2019, January 04). NYSE's Warning To Rite Aid May Force A Deal. Retrieved from <https://www.forbes.com/sites/brucejapsen/2019/01/04/nyses-warning-to-rite-aid-may-force-a-deal/#4d5662942232>

News Room. (2019, January 04). Retrieved from <https://www.riteaid.com/corporate/news/-/pressreleases/news-room/2019/rite-aid-responds-to-notice-of-non-compliance-with-nyse-trading-share-price-listing-standard-rules>