

HSI WEEK ENDED NOVEMBER 23, 2018

The Husson Stock Index (HSI) decreased from 146.36 on November 16, to 141.74 representing a (3.16%) change for the week ended November 23, 2018.

The HSI fell 3% on the week rivaling losses of the Nasdaq composite as well as the S&P and Dow, which all dropped approximately 3%. This was due mainly from the losses in the tech industry as well as the tanking of the oil market as oil prices continue a steep decline. These sell-offs raise concerns over slowing economic growth and the decline in oil prices continues to indicate weakness in the market. Out of the 27 companies that comprise the Husson Stock Index, only 3 had posted an increase for the week; athenahealth, The First Bancorp, and Hilton Worldwide Holdings, of which the highest percentage increase was from athenahealth which represented a .58% increase.

The highest percentage decrease for the week came from the Rite Aid Corporation [RAD], which dipped (9.09%), representing a dollar change of just (\$0.11). With the low share price and relatively low volume, it is correct to assume that this drastic change could come from just pure volatility in trading, however there was substantial news that could correlate with this drop. The Co-founder of Nuvision Graphics Inc., Larry D. Nuckols, pleaded guilty on charges of wire fraud from a scheme involving vendor kick-back charges amounting \$5.7 million from Rite Aid Corp. This particular case of wire fraud included the former vice president for advertising at Rite Aid, James W. Pilsner, who had also plead guilty to charges of wire fraud as well as tax evasion

earlier this Fall. Although this news shows RAD as more of the victim of crime, it could have affected the trading of the stock this week.

Lastly, another high dollar change for the week came from Charter Communications [CHTR], which posted a decrease of (\$19.11) from \$328.54 to \$309.43, representing (5.82%). Many of the index reports include changes from Charter as the stock repeatedly teeters from a substantial negative week, to a drastic positive week, never really choosing a particular trend to follow; this is what appears to be the case for this week. However, there is significant news on Charter [CHTR] and Comcast [CMCSA], which are both going to trial after failing to get lawsuits over racial discrimination dismissed. Byron Allen, the founder and CEO of Entertainment Studios, has sued Charter as well as Comcast for their apparent racial discrimination over differences in treatment of white owned companies versus companies that are owned by African Americans; in particular, Entertainment Studios. The motion to dismiss was denied by a lower court and then backed by the U.S. Court of Appeals, allowing the case to move forward; which leaves Charter and Comcast in a difficult legal situation. Investors, who don't take very lightly to civil cases, seemed inherently pessimistic as the news broke this week, leading to sell-offs that are rather typical for the stock. The real affect will be accentuated as the case comes to a close and a verdict is delivered, all of which will be coming in the following months.

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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