

HSI WEEK ENDED OCTOBER 19, 2018

The Husson Stock Index (HSI) decreased from 149.36 on October 12th to 148.17, representing a (0.79%) change for the week ended October 19, 2018.

The Valero Energy Corporation [VLO] showed the highest percentage change from the week prior dropping 14.31%; this represented the highest dollar change for the week being (\$15.49) from \$108.25 to \$92.76. Valero's stock plummeted on Friday after news arose of its buyback of its master limited partnership, Valero Energy Partner ("VLP"). The deal entails paying shareholders of VLP \$42.25 per share in cash, which will end up totaling \$950 million. Investors were incredibly disappointed with this change as having a master limited partnership for its pipeline and storage terminal company had been quite effective for other companies in the industry, however this didn't work for Valero. Fueled by pressures from the oil industry, which caused Goldman Sachs to cut their rating on the stock from neutral to sell, as well as VLO's decision to buy back VLP, investors drove the stock price down substantially.

Another large percentage decrease came from Home Depot [HD] which posted a 6.56% decrease from the week prior; a dollar change of (12.62) from \$192.47 to \$179.85. According to an analyst for Credit Suisse, "The case for continued upside in Home Depot's stock is difficult to make, as it is already trading at a premium valuation and the housing market appears to be entering a period of 'uncertainty,'".

Lastly, the highest positive percentage and dollar change for the week came from Charter Communications [CHTR]. Charter posted an increase of 4.08% which represented a dollar change of \$12.60, from \$308.74 to \$321.34. There doesn't appear to be any news related to the increase, however Charter's stock price had fallen approximately \$18 in the past two weeks, and it has now returned within \$5 of where it had been before the consecutive decreases.

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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