

Stock Analyst Report

Project Description:

This is a group project (3-4 students). Each group will pick a company from the list below and perform a professional quality stock analyst report. Such a report will include several levels of analysis from a top-down perspective. This means that you will start with an analysis of the economy and how general economic trends/factors can influence the industry and firm. Next, you need to perform an industry analysis and discuss the investment prospects for the industry and the role of industry-wide forces that will influence the firm. Finally, you will need to perform analysis at the firm level. Your report should include an examination of both qualitative and quantitative issues that relate to the firm's valuation and risk. In the firm valuation, you should (A) develop an estimate of the firm using both a discounted cash flow method and a P/E model and (B) synthesize this analysis to determine a fair value for the stock. As a final summary, you should assign ratings for both performance and risk on a scale of 1 to 5 as well as highlights of your report. A rating of 1 for performance would indicate the top rating for anticipated performance over the next year. A rating of 1 for risk would indicate the top rating for investment safety over the next year. Written reports will be due on Thursday, November 29th.

Assorted Hints and Comments:

- Presentation is important. Where appropriate, spreadsheet analysis, tables and graphs should be incorporated into this project.
- It will be helpful to turn in a draft prior to the final copy to get feedback from your instructor. This must be done no later than Friday, Nov. 16th in order to get quality feedback and incorporate it into your paper.
- Do not wait until the last minute to get started on the project, as it will require significant time and coordination in order to do well. No more than two groups will be allowed to choose the same firm and this will be determined on a first-come, first-served manner.
- Choose your groups carefully. Make sure you are working with people you will be able to work with (timing issues, grade expectations, etc.)
- This is not 3-4 individual projects stapled together, but one GROUP project. Make sure you spend some time putting the pieces together properly.

List of Acceptable Companies:

Ethan Allen Interiors Inc. (ETH), Furniture Brands (FBS), Bassett Furniture (BSET), Kroger Company (KR), Electronic Arts (ERTS), Activision (ATVI), Jones Soda (JSDA), Boston Beer (SAM), Autozone (AZO), Bed, Bath and Beyond (BBBY), Sketchers U.S.A (SKX), Werner Enterprises (WERN), Netflix (NFLX), Speedway Motorsports (TRK), Six Flags (SIX).

If you have a strong reason for wanting to use a different company for your group, please see me.