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Melia Cummings

P.2  
Business Stats  
05/29/2012

TAKE HOME FINAL  
(BUSINESS STATISTIC)  
PERIOD 2  
MR. NELSON  
B02

Name of Stock: **COSTCO**

Ticker Symbol: **COST**

S & P Sector: **CONSUMER STAPLES**

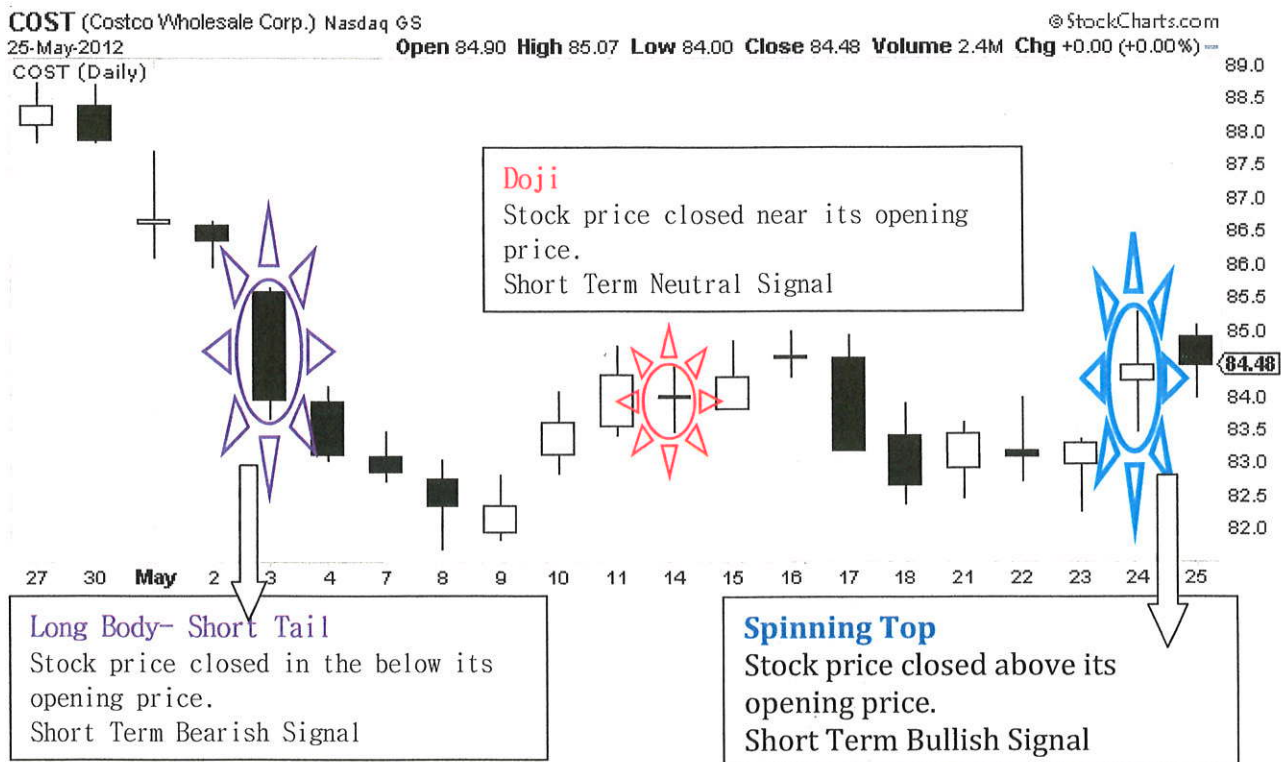
### Summary of Financial Facts:

Closing Price: \$84.48 as Of 05/24/2012

52-Week High: \$92.10      52-Week Low: \$70.22

Annual Dividends per Share: \$0.28  $\times 4$       Dividend Yield: 1.30%

## Short-Term Predictor: Candlestick Chart



# Intermediate-Term Predictor: Moving Averages Chart

COST (Costco Wholesale Corp.) Nasdaq GS

© StockCharts.com

24-May-2012

Open 84.25 High 85.27 Low 83.48 Close 84.48 Volume 3.6M Chg +1.17 (+1.40%) ▲

COST (Daily)

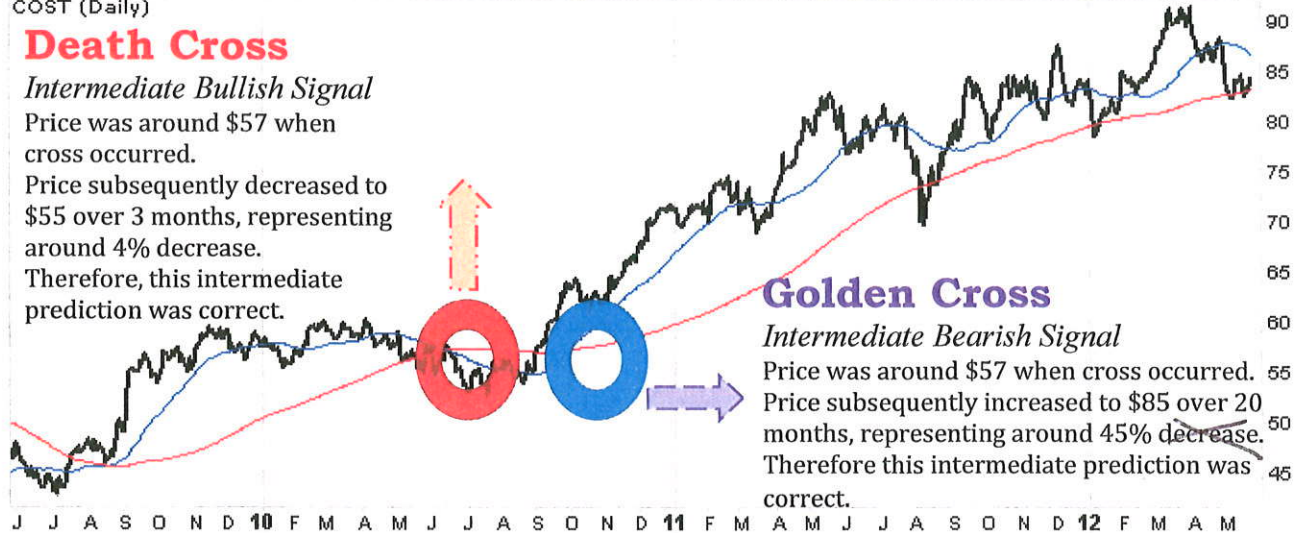
## Death Cross

### Intermediate Bullish Signal

Price was around \$57 when cross occurred.

Price subsequently decreased to \$55 over 3 months, representing around 4% decrease.

Therefore, this intermediate prediction was correct.



## Golden Cross

### Intermediate Bearish Signal

Price was around \$57 when cross occurred.

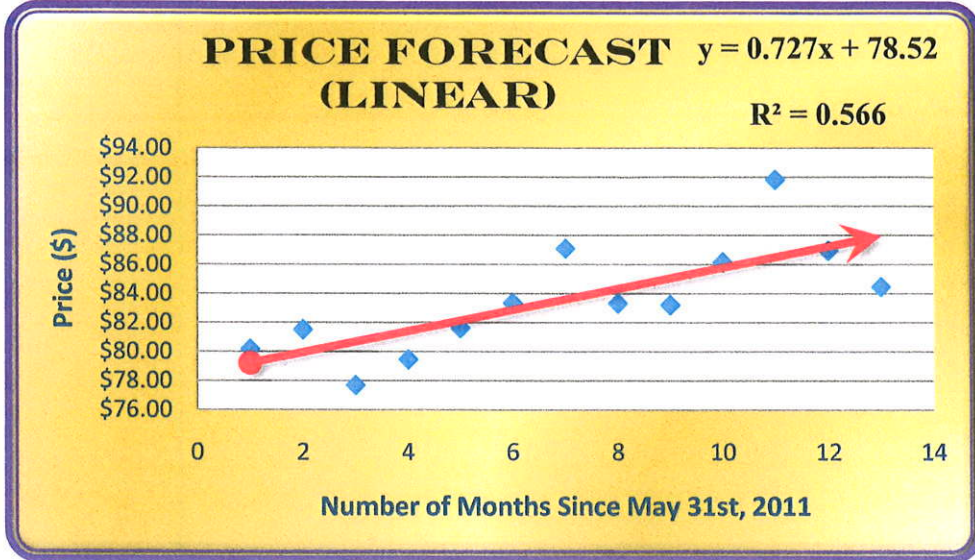
Price subsequently increased to \$85 over 20 months, representing around 45% increase. Therefore this intermediate prediction was correct.

## Forecasting Future Prices:

Date	Month	Closing Price
5/31/2011	1	\$80.21
6/30/2011	2	\$81.54
7/29/2011	3	\$77.71
8/31/2011	4	\$79.48
9/30/2011	5	\$81.63
10/31/2012	6	\$83.35
11/30/2012	7	\$87.09
12/30/2011	8	\$83.32
1/31/2012	9	\$83.22
2/29/2012	10	\$86.16
3/30/2012	11	\$91.84
4/30/20112	12	\$86.97
5/25/2012	13	\$84.48

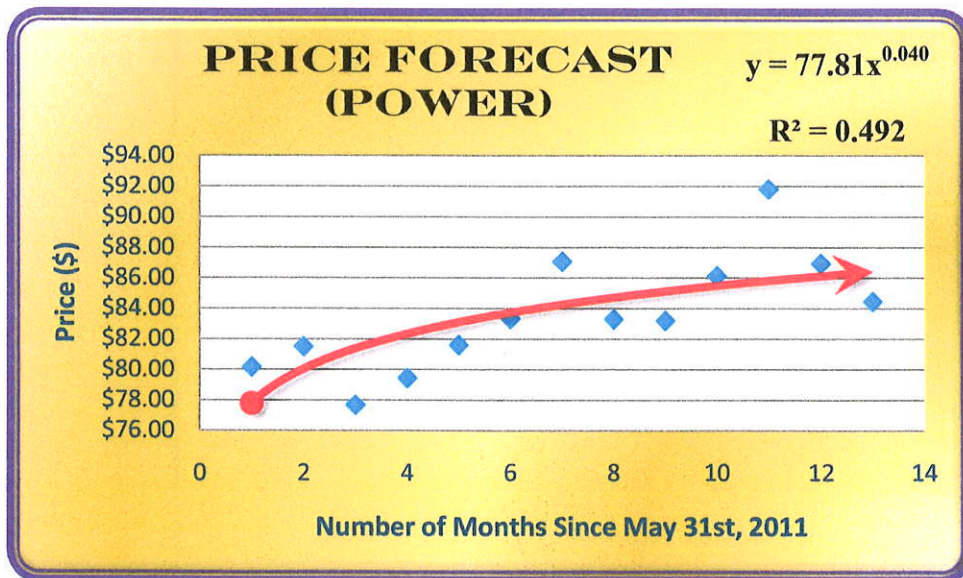


# Forecast Using A Linear Model:



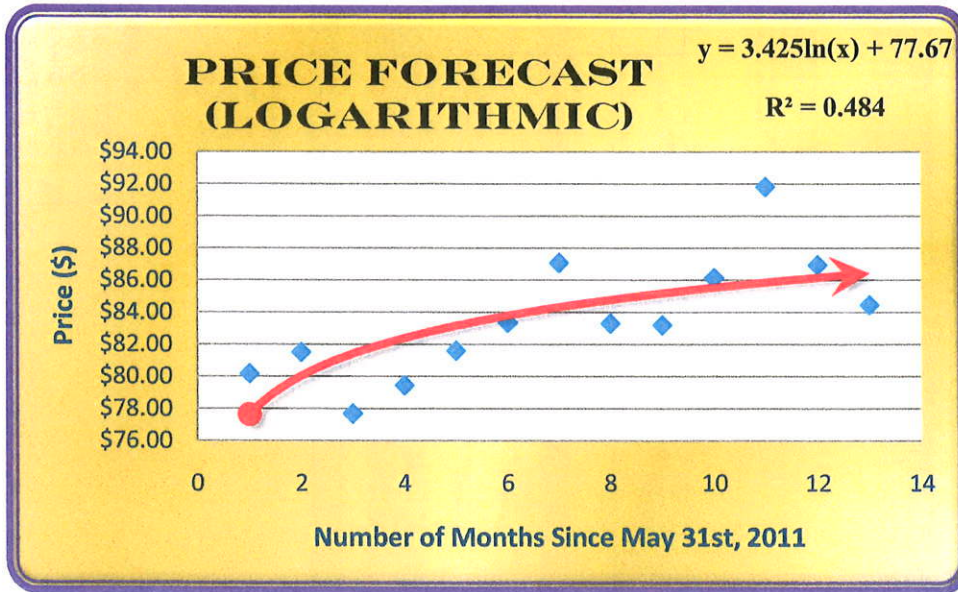
“Based on this model, I forecast a stock price for **COSTCO** as of June 30, 2012 of \$88.70” ✓

# Forecast Using A Power Model:



“Based on this model, I forecast a stock price for **COSTCO** as of December 31, 2012 of \$86.47” ✓

# Forecast Using A Logarithmic Model:



“Based on this model, I forecast a stock price for **COSTCO** as of December 31, 2013 of **\$86.71**” ✓



# Stock Correlations:

"Using correlation, the following two financial instruments will increase if **COSTCO** increases."

1.

**HCSG HEALTHCARE SERVICES GROUP**  
has a strong positive correlation of (0.86) with my stock.

2.

**MAT Mattel Inc.**

has a strong positive correlation of (0.84) with my stock.

"Using correlations, the following two financial instruments will increase if **COSTCO** decreases."

1.

**SQQQ ProShares Trust UltraPro Short QQQ**  
has a strong negative correlation of (-0.83) with my stock.

2.

**QID ProShares UltraShort QQQ**  
has a strong negative correlation of (-0.82) with my stock.

# Stock Analysis

Name of Stock: **Aflac**

Ticker Symbol: **AFL**

S & P Sector: **Health Care (XLV)**

## Summary of Financial Facts:

Closing Price: **\$39.22** As Of **5/25/12**

52-Week High: **\$50.33**

52-Week Low: **\$31.25**

Annual Dividends Per Share: **\$1.32**

Dividend Yield: **3.37%**

## Short-Term Predictor: Candlestick Chart

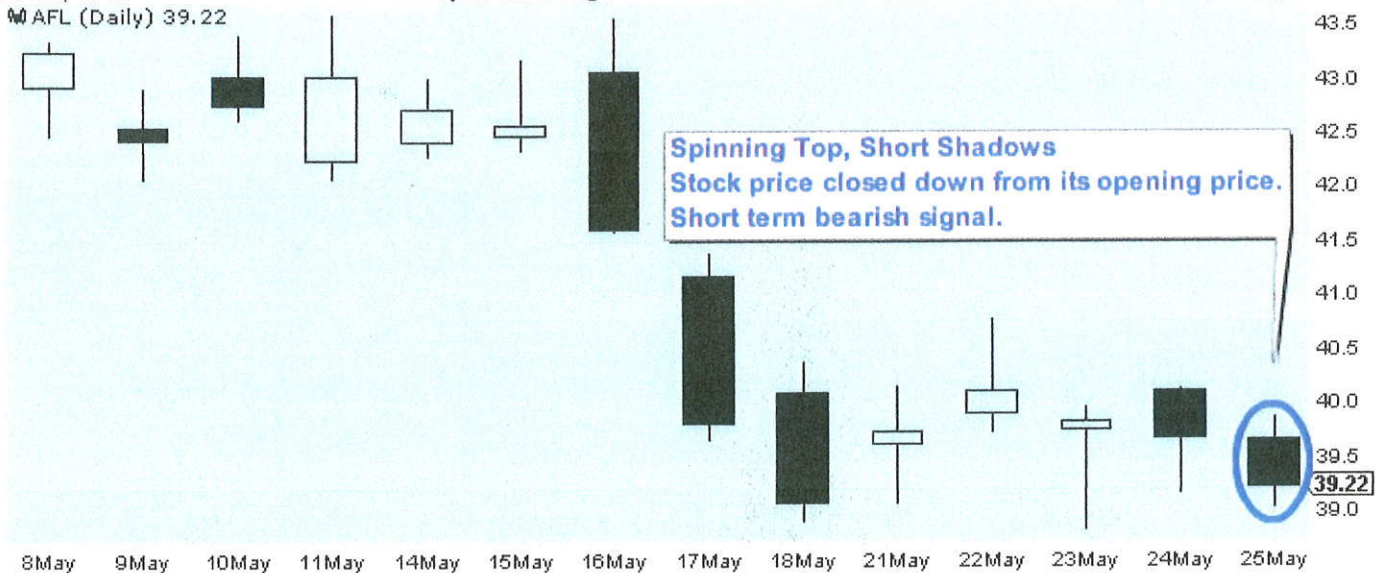
AFL (Aflac, Inc.) NYSE

25-May-2012

AFL (Daily) 39.22

Open 39.66 High 39.88 Low 39.04 Close 39.22 Volume 2.4M Chg -0.46 (-1.16%)

© Stock Charts.com





## Intermediate-Term Predictor: Moving Averages Chart

AFL (Aflac, Inc.) NYSE + BATS

29-May-2012 1:52pm

— AFL (Daily) 39.90

— MA(50) 43.32

— MA(200) 41.97

Open 39.65 High 40.07 Low 39.55 Last 39.90 Volume 1.5M Chg +0.67 (+1.72%) ▲

© Stock Charts.com



## Forecasting Future Prices:

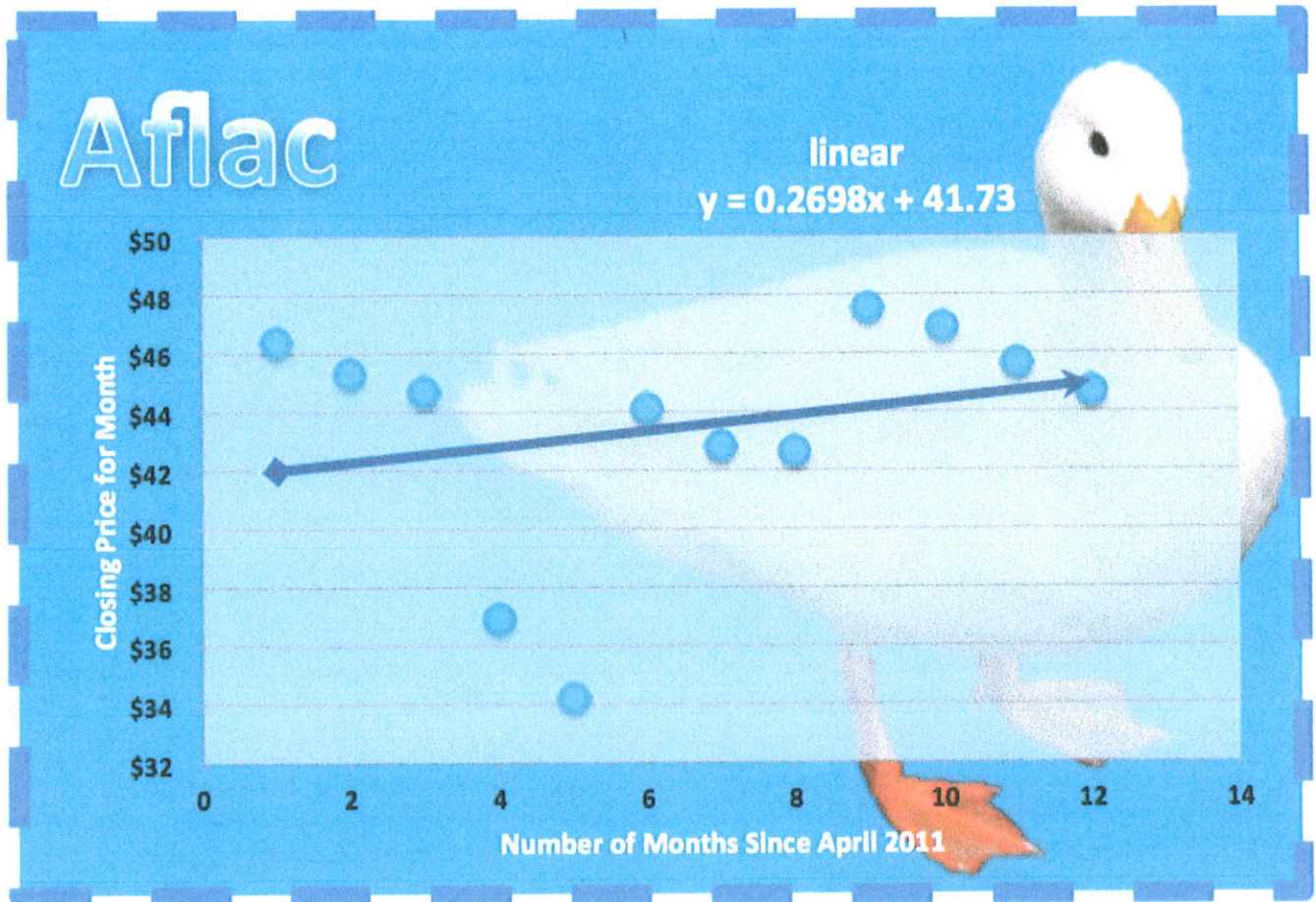
Date	Month	Closing Price for Month
5/31/2011	1	\$46.38
6/30/2011	2	\$45.30
7/29/2011	3	\$44.70
8/31/2011	4	\$36.90
9/30/2011	5	\$34.19
10/31/2011	6	\$44.11
11/30/2011	7	\$42.82
12/30/2011	8	\$42.64
1/31/2012	9	\$47.54
2/29/2012	10	\$46.89
3/30/2012	11	\$45.64
4/30/2012	12	\$44.70



## Forecast Using A Linear Model:

$$(\text{Closing Price for Month}) = 0.2698(\text{Number of Months Since April 2011}) + 41.73$$

Based on this model, I forecast a stock price for Aflac as of June 30, 2012 of \$45.51.

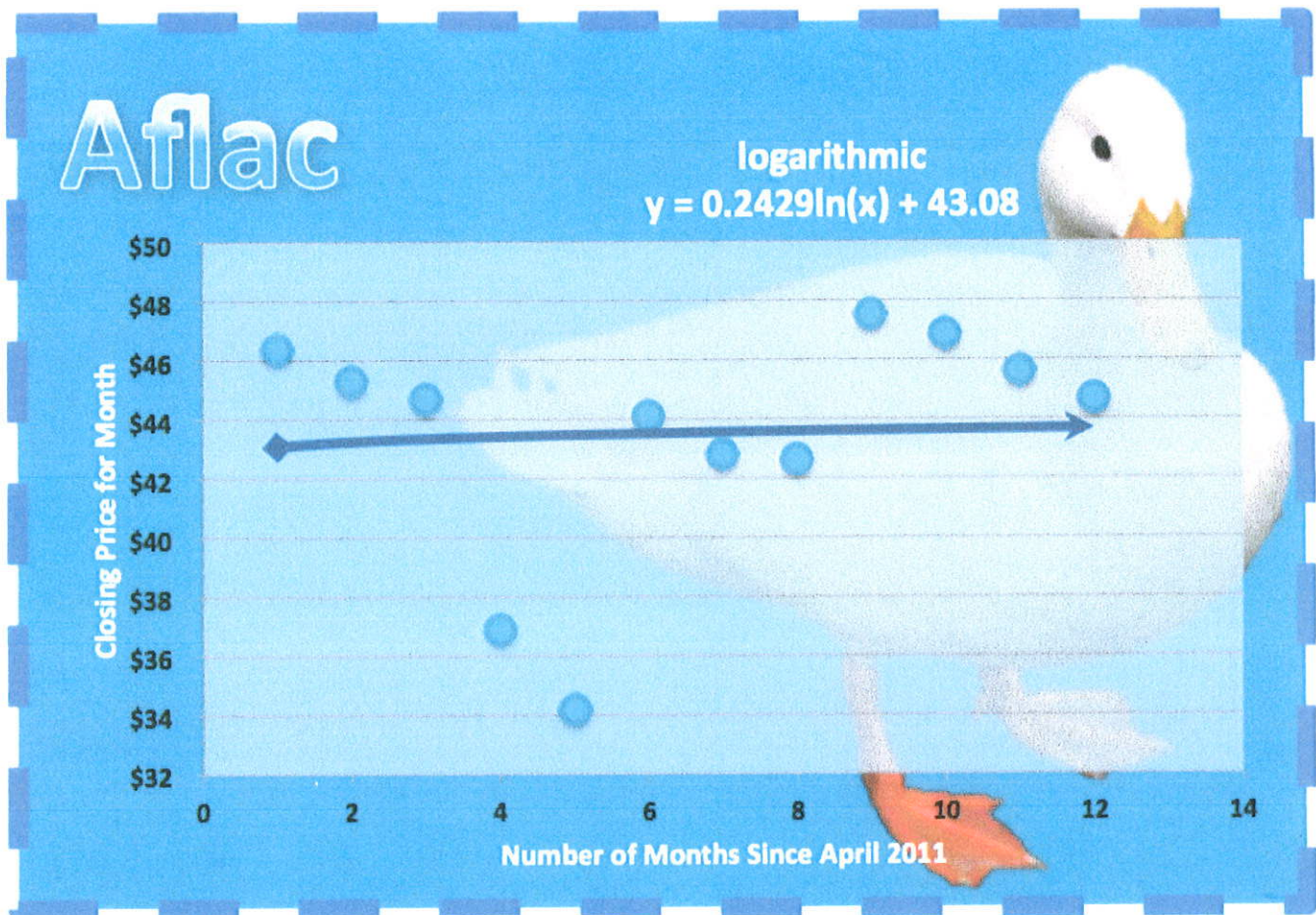




## Forecast Using A Logarithmic Model:

$$(\text{Closing Price for Month}) = 0.2429\ln(\text{Number of Months Since April 2011}) + 43.08$$

Based on this model, I forecast a stock price for **Aflac** as of December 31, 2013 of **\$43.92**.

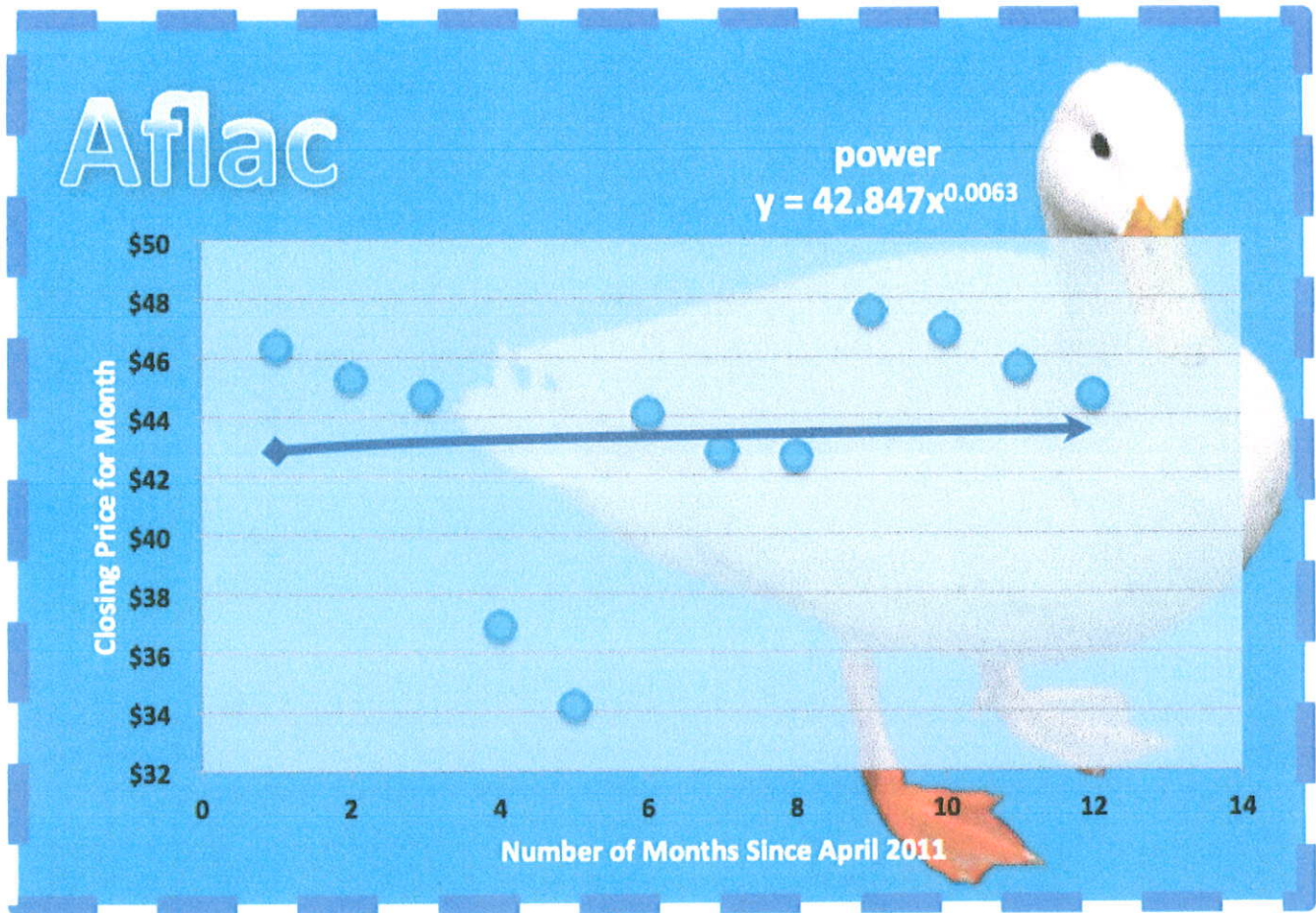




## Forecast Using A Power Model:

$$(\text{Closing Price for Month}) = 42.847(\text{Number of Months Since April 2011})^{0.0063}$$

Based on this model, I forecast a stock price for **Aflac** as of December 31, 2012 of **\$43.66**.



## Stock Correlations:

Using correlation, the following two financial instruments will increase if **Aflac (AFL)** increases.

1. **Eni Adr (E)** has a **strong positive** correlation of **0.91** with my stock.
2. **Entegris, Inc. (ENTG)** has a **strong positive** correlation of **0.91** with my stock.

Using correlations, the following two financial instruments will increase if **Aflac (AFL)** decreases.

1. **Pro Shares Ultra Short FTSE China 25 (FXP)** has a **strong negative** correlation of **-0.84** with my stock.
2. **Pro Shares Ultra Short MSCI Brazil (BZQ)** has a **strong negative** correlation of **-0.83** with my stock.