

CIF Sector Update Report (Spring 2014)

Sector Consumer Discretionary

Analyst: Will Zajac

Presentation Date: April 14, 2014

Review Period: Start Date: March 20, 2014

End Date: April 10, 2014

Section (A) Sector Performance Review

(A-1) Sector Performance Relative to SP500

CND										
	Ticker	Current Price	Beg. Price	Stop-loss Price	Target Price	% Capital Gain	# Shares	Current Value	vs. Sector	vs. S&P 500
S&P 500	\$INX	1815.69	1872.01			-3.01%				
Sector ETF	XLY	\$62.24	\$66.31			-6.14%	3255	\$202,591.20		-3.13%
Current Holdings										
	DIS	\$77.01	\$80.81			-4.70%	380	\$29,263.80	1.44%	-1.69%
	CMG	534.01	531.35			0.50%	25	\$13,350.25	6.64%	3.51%



How did the sector perform relative to the broad market (SP500) during the review period? What might have caused the out-/under-performance of the sector in relation to the broad market? You should weigh in macro, sector/industry, and company-specific factors that might have contributed to the out-/under-performance

The consumer discretionary sector underperformed compared to the market for the entirety of the review period. This is most likely due to the strong macro-economic headwinds facing the market right now. These headwinds include a strong Yen, weakening US dollar, and ongoing crises in Ukraine. In addition, being tax season, many large institutional holders of firms are selling off their holdings to secure last year's profits. This may have been one of the main causes of the so called "correction" that occurred on April 9th and 10th. However, as interest rates rise other investment vehicles such as bonds become more attractive to investors. As a result, investors are pulling money out of risky equities markets and moving it into bonds other investments.

Q1 is expected to be a strong quarter for many of the retailers in this sector. Many consumers are expected to utilize gift cards received over the holidays and to spend their tax returns. Not only will retailers feel this boost, but the rest of the consumer discretionary will feel it as well. Many consumers may decide to spend their tax returns on down payments to cars, or on tickets to Disneyland.

The overall environment has not improved substantially in the past period and the performance of this sector shows that. Since this sector relies on discretionary income; low unemployment numbers and increasing interest rates negatively impact these businesses. The good news is that unemployment is still decreasing but a slow rate.

What are some of the noteworthy news/events from the sector during the review period? The news/events can be company specific, or for the industry/sector

April 4th, 2014: *Jobs Report Just Right*. The jobs report showed just enough of an increase in growth of the US economy but not enough growth to show the Fed that increased tapering was necessary. Thus, the Fed will maintain its current level of tapering off of its bond buying program.

(A-2) Big Sector Movers

Identify two largest sector gainers and losers from recent 1 month. Copy/paste a 1 month price chart of the two largest gainers and losers *here*.

Gainers

Garmin Ltd. (GRMN) - NasdaqGS

54.86 $\uparrow 0.37$ (0.67%) Apr 11, 4:00PM EDT

After Hours : **54.86** 0.00 (0.00%) Apr 11, 4:27PM EDT

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Mar 26, 2014: GRMN 55.36



GameStop Corp. (GME) - NYSE

40.52 $\downarrow 0.69$ (1.67%) Apr 11, 4:01PM EDT

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Apr 3, 2014: GME 44.39



Losers

Netflix, Inc. (NFLX) - NasdaqGS

326.71 ↓ **8.02(2.40%)** Apr 11, 4:00PM EDT

After Hours : **326.00** ↓ **0.71 (0.22%)** Apr 11, 7:59PM EDT

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Mar 21, 2014: **NFLX 405.99**



TripAdvisor Inc. (TRIP) - NasdaqGS

78.99 ↓ **2.91(3.55%)** Apr 11, 4:00PM EDT

After Hours : **79.29** ↑ **0.30 (0.38%)** Apr 11, 5:10PM EDT

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Mar 25, 2014: **TRIP 96.48**



What might have contributed to big price moves in the period examined (recent 1 month) of each of the named gainers/losers?

Garmin Ltd (GRMN): 2.71% is how much Garmin gained over the review period. This boost comes mostly from analyst upgrades. Citigroup in particular bumped up their target price for GRMN to \$65 from \$50. This has been driving much of the stock price growth in review period as they have not reported earnings.

Gamestop Corp (GME): 5.27% is how much Gamestop gained over the review period. It is a pleasant surprise seeing Gamestop have such positive gains with an archaic business model while the rest of the sector struggled. Gamestop’s success this past month can be attributed to strong sales as they reported in their 10-K. There is still much uncertainty with this stock.

Netflix Inc: (NFLX): 25.32% is how much Netflix dropped over the review period. Netflix has posted strong numbers as its dramatically increased the number of subscribers it possesses. However, the market has not been friendly to momentum stocks as they suddenly lost all momentum in the “correction”. Nothing news worthy has occurred about Netflix itself to scare off investors, just the economy as a whole.

TripAdvisor Inc (TRIP): 24.58% is how much TripAdvisor dropped over the review period. In February TRIP released a positive 10-K report. After this TRIP was seen as a momentum stock and they suffered the most in the so called “correction” between April 9th and 10th.

Identify two largest sector gainers and losers of during recent 3 month. Copy/paste a 3 month price chart of the two largest gainers and losers *here*.

Gainers



Harman International Industries, Incorporated (HAR) - NYSE

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102.09 ↓ **1.13(1.09%)** Apr 11, 4:01PM EDT

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Losers

Best Buy Co., Inc. (BBY) - NYSE

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25.51 ↓ **0.70(2.67%)** Apr 11, 4:01PM EDT

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After Hours : **25.69** ↑ **0.18 (0.71%)** Apr 11, 7:05PM EDT

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Amazon.com Inc. (AMZN) - NasdaqGS

311.73 ↓ **5.38 (1.70%)** Apr 11, 4:00PM EDT

After Hours : **312.01** ↑ **0.28 (0.09%)** Apr 11, 7:58PM EDT

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What might have contributed to big price moves in the period examined (recent 3 month) for each of the named gainers/losers?

Garmin Ltd (GRMN): Garmin has enjoyed ratings increases from prominent institutions. This gives investors the confidence that they are buying a good stock and will get a good return on their investments. As such, Garmin's price is continuing to climb.

Harmon International Industries Inc (HAR): Harmon produces many of the products we find in cars, such as infotainment systems, audio systems, and lighting. As the market has improved and more people are buying new cars, this spurs demand for Harmon's products.

Best Buy Co. Inc (BBY): Best Buy is struggling with a brick and mortar business model in the digital age. It has an online presence but it is struggling to get consumers to buy from their stores rather than just "show-rooming" a product. This is where consumers test products out in Best Buy stores, but then purchase the same device from an online merchant. While struggling to adapt its business model to the modern times, they have also lost a key executive, David Lee, to Zynga. Mr. Lee will be Zynga's next CFO.

Amazon.com Inc. (AMZN): Amazon has been doing well throughout the review period, however its stock price lost nearly 25% of its value during this period. This is mostly the market going through its correction as Amazon may have been over valued. With its coming entrance to the smart phone market and its continued dominance of the online retail market, Amazon is in a good position.

(A-3) Two Largest Stocks in the Sector

Identify two stocks with the largest weight in the sector ETF. Copy/paste a 1 month price chart to include the two stocks, sector ETF and SP500 *here*.

The two stocks within the consumer discretionary sector are the Walt Disney Corporation (DIS) and Comcast Corp (CMCSA). The Walt Disney makes up 6.49% of the sector, making it the heaviest weight. Comcast, the next largest company, makes up 6.46% of the sector. Below Disney and Comcast are compared to the sector ETF (XLY) and the S&P 500 index over a one month period.



(A-4) Short-term (up to Three Months) Outlook of the Sector

What is your short-term (up to three months) outlook of the sector? Provide arguments in support of your view.

There are some very mixed signals coming from the market recently. As such, I would hold the XLY ETF. I would do this because for the past few years the economy has been supported by expansionary policies by the Fed. This kept interest rates at rock bottom to spur consumer spending. Now that the economy is returning to normalcy, with slowly improving employment numbers and other positive indicators, the Fed is allowing interest rates to rise. This means other financial securities become more viable options and investors can begin moving money from the stock market to other financial markets. In addition with improving interest rates and

jobs numbers, consumer spending will be more self-sustaining versus relying on the Fed for liquidity. The uncertainty comes from the correction facing the stock market. Investors now have incentives to collect on their stock profits and invest that into other financial markets. This will drag stock prices down and may cause other shocks throughout the economy. This is why the outlook for the discretionary sector is mixed.

Section (B) Sector Holding Updates

Company #1: Walt Disney Corp (DIS)

Date Recommended: March 5, 2014

Date Re-evaluated: April 12, 2014

(B-1) Company Updates and Stock Performance

Company Update

Marvel's new film *Captain America 2* released with a massive opening, \$96.2 million on its first week out. Disney has implemented a new bracelet system that allows the customers to use new technology as they go through Disney's theme parks.

Relative Performance

1-Year Price Chart



(B-2) Valuations, Estimates and Recommendations

Original Analysis

Ratio Analysis	Company	Industry	Sector
P/E (TTM)	22.16	21.21	19.61
P/S (TTM)	3.08	5.39	324.51
P/B (MRQ)	3.10	2.78	0.75
P/CF (TTM)	15.16	18.35	10.36

Re-evaluation Analysis

Ratio Analysis	Company	Industry	Sector
P/E (TTM)	21.12	23.15	18.42
P/S (TTM)	2.93	5.86	289.12
P/B (MRQ)	2.95	3.01	3.03
P/CF (TTM)	14.44	20.14	11.01

Comment on the changes

Since the original recommendation on March 5th, the ratios have decreased across the board. This is indicative of two different scenarios; either the stock price has decreased or the denominators in the ratios have decreased. The current stock price is \$77.01 which certainly explains the decline the ratios.

Historical Surprises

Original Analysis

Original Analysis (03/05/2014)

Estimates vs. Actual	Estimate	Actual	Difference	Surprise %
SALES (in millions, USD)				
Quarter Ending Dec-13	12,256.80	12,309.00	52.20	0.43
Quarter Ending Sep-13	11,403.00	11,568.00	164.98	1.45
Quarter Ending Jun-13	11,641.70	11,578.00	-63.72	-0.55
Quarter Ending Mar-13	10,491.00	10,554.00	63.00	0.60
Quarter Ending Dec-12	11,210.10	11,341.00	130.91	1.17
Earnings (per share, USD)				
Quarter Ending Dec-13	0.91	1.04	0.13	13.95
Quarter Ending Sep-13	0.76	0.77	0.01	1.68
Quarter Ending Jun-13	1.01	1.03	0.02	1.78
Quarter Ending Mar-13	0.77	0.79	0.02	2.78
Quarter Ending Dec-12	0.76	0.79	0.03	3.82

*Source: Disney Stock Presentation (March 5th, 2014)

Re-evaluation Analysis

Re-evaluation Analysis

Estimates vs. Actual	Estimate	Actual	Difference	Surprise %
Sales (in millions, USD)				
Quarter Ending Dec-13	12,256.80	12,309.00	52.20	0.43
Quarter Ending Sep-13	11,403.00	11,568.00	164.98	1.45
Quarter Ending Jun-13	11,641.70	11,578.00	-63.72	-0.55
Quarter Ending Mar-13	10,491.00	10,554.00	63.00	0.60
Quarter Ending Dec-12	11,210.10	11,341.00	130.91	1.17
Earnings (per share, USD)				
Quarter Ending Dec-13	0.91	1.04	0.13	13.95
Quarter Ending Sep-13	0.76	0.77	0.01	1.68
Quarter Ending Jun-13	1.01	1.03	0.02	1.78
Quarter Ending Mar-13	0.77	0.79	0.02	2.78
Quarter Ending Dec-12	0.76	0.79	0.03	3.82

*Source: Reuters.com

Comment on the changes

There have been no major analyst revisions of the estimates of revenue and earnings since the original recommendation.

Consensus Estimates

Original Analysis

Original Analysis (03/05/2014)

	# of Estimates	Mean	High	Low	1 Year Ago
Sales (in millions, USD)					
Quarter Ending Mar-14	29	11,196.00	11,417.50	10,899.00	11,143.50
Quarter Ending Jun-14	28	12,248.80	12,600.00	11,844.30	12,577.80
Year Ending Sep-14	31	48,032.20	48,650.00	47,589.00	47,934.80
Year Ending Sep-15	32	51,038.70	52,950.00	50,228.00	51,518.10
Earnings (per share, USD)					
Quarter Ending Mar-14	31	0.94	1.04	0.89	0.87
Quarter Ending Jun-14	30	1.2	1.33	1.12	1.19
Year Ending Sep-14	32	4.03	4.28	3.87	3.88
Year Ending Sep-15	34	4.57	4.85	4.37	4.42
LT Growth Rate (%)	5	15.88	19.8	12.5	12.87

*Source: Disney Stock Presentation (March 5th, 2014)

Re-Evaluation Analysis

	# of Estimates	Mean	High	Low	1 Year Ago
SALES (in millions)					
Quarter Ending Jun-14	25	12,247.80	12,479.60	11,844.30	12,586.90
Quarter Ending Sep-14	25	12,283.00	12,625.50	11,987.00	12,401.50
Year Ending Sep-14	28	48,031.20	48,599.00	47,589.00	47,976.60
Year Ending Sep-15	28	51,005.90	52,097.00	50,228.00	51,417.80
Earnings (per share)					
Quarter Ending Jun-14	27	1.2	1.33	1.12	1.21
Quarter Ending Sep-14	27	0.87	0.94	0.79	0.93
Year Ending Sep-14	30	4.03	4.28	3.87	3.88
Year Ending Sep-15	30	4.57	4.85	4.37	4.43
LT Growth Rate (%)	4	15.75	20.6	12.5	12.85

Comment on the changes

Overall, the consensus estimates for revenues and earnings have declined. Quarterly and annual estimates were decreased by small amounts. The most important change is the decline of the long term growth rate. While these declines are notable, they are not large enough to be concerned about the overall profitability of the firm.

Estimate Revision Analysis

Original Analysis (03/05/2014)

Number Of Revisions:	Last Week		Last 4 Weeks	
	Up	Down	Up	Down
Revenue				
Quarter Ending Mar-14	1	0	11	15
Quarter Ending Jun-14	0	1	10	15
Year Ending Sep-14	0	1	15	12
Year Ending Sep-15	0	2	8	15
Earnings				
Quarter Ending Mar-14	1	0	19	6
Quarter Ending Jun-14	0	1	8	18
Year Ending Sep-14	1	0	27	0
Year Ending Sep-15	2	0	19	3

*Source: Disney Stock Presentation (March 5th, 2014)

Re-Evaluation Analysis

Last Week		Last 4 Weeks		
Number Of Revisions:	Up	Down	Up	Down
Revenue				
Quarter Ending Jun-14	1	0	3	1
Quarter Ending Sep-14	1	1	1	3
Year Ending Sep-14	3	0	6	0
Year Ending Sep-15	3	0	6	0
Earnings				
Quarter Ending Jun-14	2	0	2	1
Quarter Ending Sep-14	0	1	1	1
Year Ending Sep-14	2	0	3	0
Year Ending Sep-15	2	1	4	1

Comment on the changes

In the past week there have been nine revisions compared to the previous four weeks. Most of the recommendations have been up. This increase in activity is indicative of an increase in the confidence of the company to continue to be profitable.

Analysts' Recommendations

Original Analysis

Original Analysis (03/05/2014)

1-5 Linear Scale	Current	1 Month Ago	2 Month Ago	3 Month Ago
(1) BUY	10	11	10	11
(2) OUTPERFORM	10	10	9	8
(3) HOLD	12	12	13	13
(4) UNDERPERFORM	0	0	0	0
(5) SELL	0	0	0	0
No Opinion	0	0	0	0
Mean Rating	2.06	2.03	2.09	2.06

*Source: Disney Stock Presentation (March 5th, 2014)

Re-Evaluation Analysis

1-5 Linear Scale	Current	1 Month	2 Month	3 Month
		Ago	Ago	Ago
(1) BUY	9	9	11	11
(2) OUTPERFORM	8	9	10	9
(3) HOLD	12	12	12	11
(4) UNDERPERFORM	0	0	0	0
(5) SELL	0	0	0	0
No Opinion	0	0	0	0
Mean Rating	2.1	2.1	2.03	2

Comment on the changes

Overall, analysts have continued to recommend Disney. More analysts have decreased their recommendation from buy and outperform to hold but this is still positive and bullish for the stock. It is noteworthy that the recommendations have decreased but overall the expectation is that Disney is still a good stock.

(B-3) Technical Indicators





How have the two sets of technical charts changed from the ones in the original report? Are findings from technical analysis supportive of your other findings?

The technical indicators have not significantly changed since the original recommendation. There was a significant sell off in the market at the end of the review period. This sell off has brought the moving averages down for the 10 and 50 day lines. The 100 day line wasn't affected at all by the sell off. There were no new death or golden crosses.

Stock #2: Chipotle Mexican Grill (CMG)

Date Recommended: April 7, 2014

Date Re-evaluated: April 12, 2014

Company Update

1-Year Price Chart



(B-2) Valuations, Estimates and Recommendations

Original Analysis

<u>Ratio Analysis</u>	<u>Company</u>	<u>Industry</u>	<u>Sector</u>
P/E (TTM)	54.25 (Reuters)	124.91 (Reuters)	17.23 (Reuters)
P/S (TTM)	5.49 (Reuters)	2.11 (Reuters)	290.60 (Reuters)
P/B (MRQ)	11.46 (Reuters)	6.14 (Reuters)	2.92 (Reuters)
P/CF (TTM)	41.70 (Reuters)	19.03 (Reuters)	10.81 (Reuters)

Re-evaluation Analysis

	Company	Industry	Sector
P/E Ratio (TTM)	51.08	127.75	18.42
Price to Sales (TTM)	5.17	2.09	289.12
Price to Book (MRQ)	10.79	6.08	3.03
Price to Cash Flow (TTM)	39.27	19.29	11.01

Comment on the changes

The ratios change has been mixed. For Chipotle, their ratios have declined from what they were on April 7th. The industry ratios and sector ratios have increased and decreased. However, the amount of time that this stock was held by the portfolio is very small. The changes do indicate a lower stock price than when we originally purchased the stock.

Historical Surprises

Original Analysis

Sales and Profit Figures in US Dollar (USD)

Earnings and Dividend Figures in US Dollar (USD)

Estimates vs Actual	Estimate	Actual	Difference	Surprise %
SALES (in millions)				
Quarter Ending Dec-13	826.30	844.15	+17.84	+2.16
Quarter Ending Sep-13	820.13	826.91	+6.78	+0.83
Quarter Ending Jun-13	802.78	816.79	+14.01	+1.74
Quarter Ending Mar-13	725.13	726.75	+1.62	+0.22
Quarter Ending Dec-12	698.89	699.16	+0.27	+0.04
Earnings (per share)				
Quarter Ending Dec-13	2.53	2.53	0.00	0.00
Quarter Ending Sep-13	2.78	2.66	-0.12	-4.32
Quarter Ending Jun-13	2.81	2.82	+0.01	+0.29
Quarter Ending Mar-13	2.13	2.35	+0.22	+10.11
Quarter Ending Dec-12	1.96	1.95	-0.01	-0.26

Re-evaluation Analysis

Sales and Profit Figures in US Dollar (USD)				
Earnings and Dividend Figures in US Dollar (USD)				
Estimates vs Actual	Estimate	Actual	Difference	Surprise %
SALES (in millions)				
Quarter Ending Dec-13	826.3	844.15	17.84	2.16
Quarter Ending Sep-13	820.13	826.91	6.78	0.83
Quarter Ending Jun-13	802.78	816.79	14.01	1.74
Quarter Ending Mar-13	725.13	726.75	1.62	0.22
Quarter Ending Dec-12	698.89	699.16	0.27	0.04
Earnings (per share)				
Quarter Ending Dec-13	2.53	2.53	0	0.12
Quarter Ending Sep-13	2.78	2.66	0.12	4.32
Quarter Ending Jun-13	2.81	2.82	0.01	0.29
Quarter Ending Mar-13	2.13	2.35	0.22	10.11
Quarter Ending Dec-12	1.96	1.95	0	0.26

Comment on the changes

There were no revisions made by analysts in the time since the stocks purchase and the reevaluation.

Consensus Estimates

Original Analysis

Sales and Profit Figures in US Dollar (USD)							
Earnings and Dividend Figures in US Dollar (USD)							
	# of Estimate	Mean	High	Low	1 Year Ago	% Difference of High and Mean	% Difference of Low and Mean
SALES (In Millions)							
Quarter Ending Jun-14	24	958.28	989.80	935.30	925.01	3.289%	-2.398%
Quarter Ending Sep-14	24	977.32	1,005.33	948.90	936.89	2.866%	-2.908%
Year Ending Dec-14	27	3,797.54	3,898.20	3,681.90	3,644.74	2.651%	-3.045%
Year Ending Dec-15	25	4,406.44	4,602.80	4,217.00	4,240.17	4.456%	-4.299%
EARNINGS (Per Share)							
Quarter Ending Jun-14	28	3.35	3.54	3.11	3.45	5.672%	-7.164%
Quarter Ending Sep-14	28	3.40	3.68	3.04	3.29	8.235%	-10.588%
Year Ending Dec-14	30	12.93	13.54	12.21	12.38	4.718%	-5.568%
Year Ending Dec-15	28	16.05	17.25	15.04	15.06	7.477%	-6.293%
LT Growth Rate (%)	4	21.85	23.20	20.00	20.47	6.178%	-8.467%

Re-Evaluation Analysis

Estimates vs Actual	Estimate	Actual	Difference	Surprise %	1 Yr Ago
SALES (in millions)					
Quarter Ending Jun-14	23	957.57	989.8	935.3	923.89
Quarter Ending Sep-14	23	977.18	1,005.33	948.9	935.69
Year Ending Dec-14	26	3,796.63	3,898.20	3,681.90	3,637.54
Year Ending Dec-15	25	4,397.16	4,602.80	4,217.00	4,227.94
Earnings (per share)					
Quarter Ending Jun-14	27	3.34	3.54	3.11	3.43
Quarter Ending Sep-14	27	3.4	3.68	3.04	3.28
Year Ending Dec-14	29	12.92	13.54	12.21	12.35
Year Ending Dec-15	28	16	17.25	15.04	15
LT Growth Rate (%)	4	21.85	23.2	20	20.47

Comment on the changes

Analysts have made small revisions to the sales estimates. These small revisions were downward indicating that analysts may be losing faith in Chipotle's ability to turn a profit. The long term growth rate hasn't changed.

Estimate Revision Analysis

Original Analysis April 7th, 2014

ESTIMATES REVISIONS SUMMARY

	Last Week		Last 4 Weeks	
	Up	Down	Up	Down
Revenue				
Quarter Ending Jun-14	1	0	2	0
Quarter Ending Sep-14	1	0	2	0
Year Ending Dec-14	1	0	3	0
Year Ending Dec-15	1	0	2	0
Earnings				
Quarter Ending Jun-14	0	2	1	3
Quarter Ending Sep-14	2	0	3	0
Year Ending Dec-14	2	0	4	0
Year Ending Dec-15	2	0	4	0

Re-Evaluation Analysis

Last Week		Last 4 Weeks		
Number Of Revisions:	Up	Down	Up	Down
Revenue				
Quarter Ending Jun-14	0	0	2	0
Quarter Ending Sep-14	0	0	3	0
Year Ending Dec-14	1	0	5	0
Year Ending Dec-15	1	0	3	0
Earnings				
Quarter Ending Jun-14	0	1	1	4
Quarter Ending Sep-14	0	1	2	3
Year Ending Dec-14	0	0	4	2
Year Ending Dec-15	1	0	4	1

Comment on the changes

There were fewer analyst revisions to report for the past week than the original recommendation. This time there were only three revisions in both revenue and earnings. There were ten revisions on the original. This shows that in the time since the recommendations analysts have held their revisions and maintained their positions with Chipotle.

Analysts' Recommendations

Original Analysis

(F-1) Reuters Most Recent Three Months Analysts Recommendations
ANALYST RECOMMENDATIONS AND REVISIONS

1-5 Linear Scale	Current	1 Month Ago	2 Month Ago	3 Month Ago
(1) BUY	10	8	8	8
(2) OUTPERFORM	6	6	5	4
(3) HOLD	12	12	15	12
(4) UNDERPERFORM	1	1	0	0
(5) SELL	0	0	1	1
No Opinion	0	0	0	0
Mean Rating	2.14	2.22	2.34	2.28

Re-Evaluation Analysis

1-5 Linear Scale	Current	1 Month	2 Month	3 Month
		Ago	Ago	Ago
(1) BUY	10	9	8	8
(2) OUTPERFORM	6	6	5	5
(3) HOLD	11	12	14	13
(4) UNDERPERFORM	1	1	1	0
(5) SELL	0	0	0	1
No Opinion	0	0	0	0
Mean Rating	2.11	2.18	2.29	2.3

Comment on the changes

There was a small decrease in the mean rating of Chipotle. This is due to the removal of the opinion of one analyst. Although this decreased the mean rating of Chipotle it still is a recommended firm among analysts.

(B-3) Technical Indicators



How have the two sets of technical charts changed from the ones in the original report? Are findings from technical analysis supportive of your other findings?

In the small amount of time since the original decision to buy, the market has suffered a correction. This caused a significant drop in Chipotle’s stock price, and a death cross on the 10 and 50 day moving average chart. The 50 and 200 day moving average chart was barely affected by the correction. This shows that the market can move a lot in a short period of time but there still is not enough change to warrant adjusting this stock.

Section (C) Sector Holding Recommendations

Based on your sector update research, recommend and provide justifications what CIF should do for each individual stock it holds in the sector:

Provide your recommendations in the following table

Company Name	Ticker Symbol	Date Recommended	Date Re-evaluated	Recommendation		
				Sell	Adjust “Target Price”	Adjust “Stop-loss Price”
Walt Disney Co	DIS	March 5, 2014	April 12, 2014	N/A	\$91.43 unchanged	\$68.58 unchanged
Chipotle Mexican Grill	CMG	April 7, 2014	April 12, 2014	N/A	\$631.70 unchanged	\$487.62 unchanged

Works Cited

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Walt Disney Co (n.d.) Retrieved from <http://finance.yahoo.com/echarts?s=DIS+Interactive#symbol=DIS;range=1d>

Garmin Ltd. (n.d.). Retrieved from http://finance.yahoo.com/g; ylt=AhoDfp.o7 bWih13hRV0ZnMnv7gF?uhb=uhb2&fr=uh3 finance_vert_gs&type=2button&s=grmn

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