

Date: 4/13/13

Analyst Name: Khalid Surur

CIF Stock Recommendation Report (Fall 2012)

Company Name and Ticker: CBS Corp. (CBS)

Section (A) Summary

Recommendation Buy: Yes		Target Price: \$52	Stop-Loss Price: \$41
Sector: Consumer Discretionary	Industry: Broadcasting	Market Cap (in Billions): 29.3	# of Shrs. O/S (in Millions): 629.16
Current Price: 46.57	52 WK Hi: 47.42	52 WK Low: 29.81	EBO Valuation: \$118.09
Morningstar (MS) Fair Value Est.: 40.00	MS FV Uncertainty: high	MS Consider Buying: 24.00	MS Consider Selling: 62.00
EPS (TTM): 2.39	EPS (FY1): 3.00	EPS (FY2): 3.39	MS Star Rating: 2 star
Next Fiscal Yr. End: December 2013	Last Fiscal Qtr. End: Less Than 8 WK: Yes	If Less Than 8 WK, next Earnings Ann. Date: May 1st	Analyst Consensus Recommendation: Outperform
Forward P/E: 13.74	Mean LT Growth: 14.5%	PEG: .95	Beta: 2.27
% Inst. Ownership: 85.84%	Inst. Ownership- Net Buy: No	Short Interest Ratio: 1.7	Short as % of Float: N/A
<u>Ratio Analysis</u>	<u>Company</u>	<u>Industry</u>	<u>Sector</u>
P/E (TTM)	18.77	21.81	24.34
P/S (TTM)	2.08	8.18	1.28
P/B (MRQ)	2.87	2.11	1.50
P/CF (TTM)	13.50	14.32	8.5
Dividend Yield	1.03	1.12	.85
Total Debt/Equity (MRQ)	57.98	132.62	53.54
Net Profit Margin (TTM)	11.85	-0.65	7.8
ROA (TTM)	6.34	2.03	8.72
ROE (TTM)	16.24	3.41	13.64

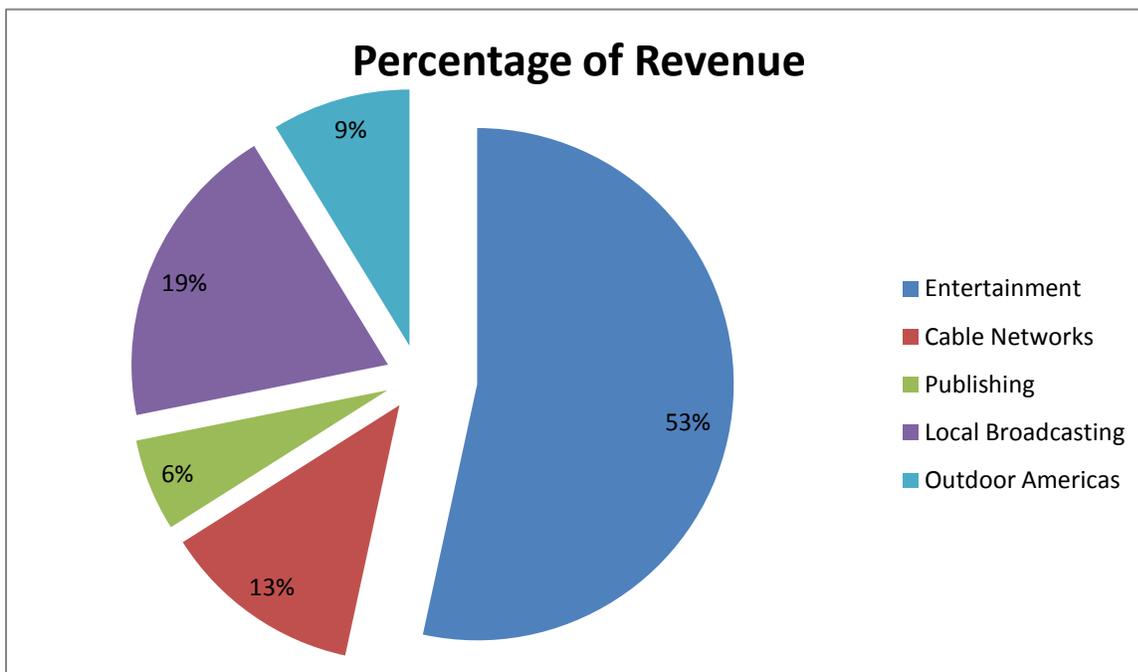
<p><u>Investment Thesis:</u> Currently the CBS Corporation is trading very close to their 52 week high but I still recommend a buy. They have been returning value to their shareholders as well as growing immensely. I do not think they will plateau but continue to rise. They will release their next earnings report on May 1st and I think they will continue their progress. Their Showtime network, I think will only gain market share as they move forward in that industry. Also with companies like Netflix who want to stream shows, they will have to pay CBS for the rights of the several hit shows they have produced like CSI or NCIS. Advertising costs will continue to rise and CBS hosts events that millions of people look forward to like the NCAA basketball tournament (March Madness) and they just hosted the Masters. I like their advertising campaign and the idea with the digital billboards and I think they will capitalize in that segment. CBS is America's most watched network and I do not see that changing anytime soon. There was nothing too bearish on this company and I think they have a lot of potential and have put themselves in a position to succeed.</p>	<p><u>Summary</u> Provide brief summary of your analysis in each section that follows</p> <p><u>Company Profile:</u> CBS is a mass media conglomerate that operates in 5 different segments; Entertainment, cable networks, publishing, local broadcasting and outdoor Americas.</p> <p><u>Fundamental Valuation:</u> The fundamental valuation has the CBS Corporation very undervalued. The Implied price given is \$95.92 and the only way I get it to give me a price close to what it is currently trading at was to change the discount rate to 7%.</p> <p><u>Relative Valuation:</u> the relative valuation did not seem to be too bullish or bearish for CBS. The implied price based on their competitors was for the most part right around where they are currently trading. The PEG was good and gave a slightly bullish indicator.</p> <p><u>Revenue and Earnings Estimates:</u> Although the CBS Corporation did not beat analysts' estimates too often I do not think this was a bearish signal. With their recent booming growth I just think analysts overshot their forecasts.</p> <p><u>Analyst Recommendations:</u> Analysts are overall pretty bullish with this stock. They currently have a mean rating of 1.93 with most experts saying they will outperform.</p> <p><u>Institutional Ownership:</u> Institutional ownership is strong with ownership at 85.84%. Although they had more investors decrease their position than increase, there were 5 more opened positions than closed. I do not think this is too significant and I do not think this gives a clear indication of sentiment towards the stock.</p> <p><u>Short Interest:</u> The CBS Corporation has a rather low short interest ratio at 1.7 which is very favorable and a bullish indicator. Their days to cover have slightly increased over the past year but it is still lower than their competitors.</p> <p><u>Stock Price Chart:</u> The Stock price charts are very bullish and have CBS outperforming all their competitors as well as the sector and S&P500. The technical analysis is also bullish showing the most</p>
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	recent cross to be golden in both charts.
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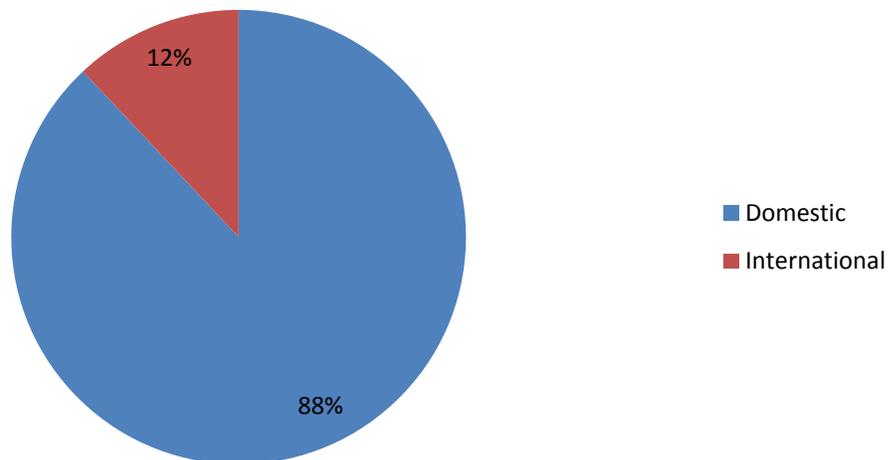
Section (B) Company Profile (two pages maximum)

Company Summary

CBS Corporation is a media conglomerate in the broadcasting industry. They have 5 segments that include entertainment, cable networks, publishing, local broadcasting, and outdoor Americas. The entertainment division is composed of the CBS television network, CBS television studios, CBS films, and CBS interactive. This segment accrued 55% of total revenue for the company in fiscal year 2012. The Showtime Network, CBS Sports Network, and Smithsonian Networks make up the cable networks segment which made up 13% of revenues. Their publishing segment is composed of Simon & Schuster, which publishes and distributes consumer books. The local broadcasting segment includes the company's 30 owned broadcast television stations and CBS Radio. CBS radio operates 127 radio stations in 28 United States markets. This section made up 20% of revenues during the 2012 fiscal year. Lastly, they have their outdoor Americas segment which provides space for advertisers on various structures in North America and South America. These structures include billboards, transit shelters and benches, buses, rail systems, mall kiosks, and stadium signage. This division acquired 9% of revenues last year. CBS generated approximately 12% of revenues from international regions last year. From their international revenues, approximately 43% was from Europe and 21% from Canada.



International vs. Domestic Revenue



Business Model, Competition, Environment and Strategy

In mid-February, the CBS Corporation released their fourth quarter and annual report. They performed very well and were pleased. Summer Redstone, Executive Chairman of CBS, said "CBS has turned in another quarter of exceptional performance, capping off another terrific year." Redstone also gave praise to Leslie Moonves, CEO, saying he was confident that Leslie and his team will continue to capitalize on opportunities for years to come. CEO, Leslie Moonves said they had a record year and quarter and that that momentum will continue for an even better 2013. They also announced that they would accelerate the pace of their share repurchase program by another billion dollars. Their advertising revenue is growing and they are in the early stages of rolling out digital billboards. The digital billboards are expected to be able to be changed in a matter minutes. This kind of technology will allow their advertisers to pick specific times to display their messages; this means CBS will be able to charge a premium for peak traffic times like the morning rush hour. The CBS broadcast network also gives them an advantage because it remains the largest platform for original programming in the world. Their fast growing business line seems to be in their premium cable network, Showtime. Showtime gives CBS a way to run material that is not suited for broadcast television so they can appeal to more audiences. Showtime ranks 2nd, behind to Time Warner's HBO, when it comes to

premium channels, but there is still a lot of room for growth. With successful series' including Dexter, Weeds, and Californication Showtime has definitely proven themselves as a legitimate and worthy premium channel. When they announced their report back in February, CEO, Leslie Moonves, also stated "Going forward, returning value to our shareholders will continue to be a top priority for us."

Revenue and Earnings History

This information is available in *Reuters.com*, "*Financials*" tab. Copy/paste the quarterly revenue and earnings per share numbers for the most recent three years. Add the numbers over four fiscal quarters to get annual revenue and earnings. For the current fiscal year, go ahead add up as many quarters as are available. **NOTE:** revenue numbers are "*in millions*".

Discuss any pattern in revenue and earnings (e.g., increasing year over year; seasonal; etc.)

Revenue

Periods	2010	2011	2012
December	3,900	3,784	3,271
September	3,298	3,365	3,418
June		3,586	3,476
March		3,510	3,365
Annual		14,245	13,530

Earnings Per Share

Period	2010	2011	2012
December	0.42	0.56	0.62
September	0.47	0.51	0.61
June		0.59	0.66
March		0.3	0.56
Annual		1.96	2.45

The CBS Corporation released their most recent earnings report in mid-February and did very well. They had a record quarter and year and were happy to finish the year strong. They believe this will carry into their new fiscal year and their successes will not stop. Management attributed the stellar report to the CEO and they are very happy with his recent performance.

Section (C) Fundamental Valuation (EBO)

Include the following here:

Copy/paste completed Fundamental Valuation (EBO) Spreadsheet

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	
1	CBS			PARAMETERS	FY1	FY2	Ltg											
2				EPS Forecasts	2.99	3.39	14.50%		Model 1: 12-year forecasting horizon (T=12). and a 7-year growth period.									
3				Book value/share (last fye)	16.21				Please download and save this template to your own storage device You only need to input values to cells highlighted in "yellow" The rest of the spreadsheet is calculated automatically Please read "Guidelines_for_FundamentalValuation_Prof.Lee_Spreadsheet" file carefully									
4			Discount Rate	3.15%														
5			Dividend Payout Ratio (PDR)	17.20%														
6			Next Fisc Year end	2014														
7			Current Fisc Mth (1 to 12)	4														
8			Target ROE (industry avg.)	5.09%														
9																		
10				Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025		
11				Long-term EPS Growth Rate (Ltg)			0.1450	0.1450	0.1450	0.1450	0.1450							
12				Forecasted EPS	2.99	3.39	3.88	4.44	5.09	5.83	6.67							
13				Beg. of year BV/Shr	16.211	18.687	21.494	24.708	28.388	32.601	37.426							
14				Implied ROE		0.181	0.181	0.180	0.179	0.179	0.178							
15																		
16	ROE		(Beg. ROE, from EPS forecasts)	0.184	0.181	0.181	0.180	0.179	0.179	0.178	0.153	0.127	0.102	0.076	0.051			
17	Abnormal ROE		(ROE-k)	0.153	0.150	0.149	0.148	0.148	0.147	0.147	0.121	0.096	0.070	0.045	0.019			
18	growth rate for B		(1-PDR)*(ROE-1)	0.000	0.153	0.150	0.150	0.149	0.148	0.148	0.148	0.127	0.105	0.084	0.063			
19	Compounded growth			1.000	1.153	1.326	1.524	1.751	2.011	2.309	2.649	2.985	3.299	3.577	3.804			
20	growth*AROE			0.153	0.173	0.198	0.226	0.259	0.296	0.339	0.321	0.286	0.232	0.161	0.074			
21	required rate (k)			0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	
22	Compound discount rate			1.032	1.064	1.098	1.132	1.168	1.205	1.242	1.282	1.322	1.364	1.407	1.451			
23	div. payout rate (k)		0.172															
24	Add to P/B		PV(growth*AROE)	0.15	0.16	0.18	0.20	0.22	0.25	0.27	0.25	0.22	0.17	0.11	0.05			
25	Cum P/B			1.15	1.31	1.49	1.69	1.91	2.16	2.43	2.68	2.90	3.07	3.18	3.23			
26	Add: Perpetuity																	
27	beyond current yr		(Assume this yr's AROE forever)	4.71	5.16	5.72	6.34	7.03	7.80	8.66	7.96	6.87	5.40	3.62	1.61			
28	Total P/B		(P/B if we stop est. this period)	5.86	6.47	7.21	8.03	8.95	9.96	11.09	10.64	9.77	8.47	6.81	4.85			
29	Implied price			95.92	105.93	118.09	131.58	146.55	163.18	181.63	174.32	159.96	138.76	111.48	79.41			
30																		
31	Check:																	
32	Beg. BV/Shr			16.21	18.69	21.49	24.71	28.39	32.60	37.43	42.95	48.38	53.48	57.99	61.66			
33	Implied EPS			2.99	3.39	3.88	4.44	5.09	5.83	6.67	6.56	6.16	5.45	4.43	3.14			
34	Implied EPS growth				0.134	0.145	0.145	0.145	0.145	0.145	0.145	-0.016	-0.061	-0.116	-0.187	-0.291		

Inputs (provide below input values used in your analysis)

EPS forecasts (FY1 & FY2): FY1: 2.99 FY2: 3.39

Long-term growth rate: 14.50%. I did not make an adjustment to the consensus LTG estimate.

Book value /share (along with book value and number of shares outstanding):

Book value: 10,213 million

of shares outstanding: 629.16 million

Book value / share: 16.21

Dividend payout ratio: 17.20%
Next fiscal year end: 2014
Current fiscal month: 4
Target ROE: 5.09% I did not make an adjustment to the target ROE estimate.

Discount Rate

- Risk Free Rate = 2.63
- Beta = 2.27
- Market Risk Premium = 9.5%

Output

Above normal growth period chosen: 2016

EBO valuation (Implied price from the spreadsheet):118.09

Sensitivity Analysis

EBO valuation would be (you can include more than one scenario in each of the following):

\$105.93 if changing above normal growth period to 2015.

\$121.46 if changing growth rate from mean (consensus) to the highest estimate 17.8%

\$115.74 if changing growth rate from mean (consensus) to the lowest estimate 12.20%

\$50.58 if changing discount rate to 7%

\$118.09 if changing target ROE to 10%

I chose an abnormal growth period up to 2016 for CBS for a couple different reasons. With the emerging companies like Netflix and Hulu which stream television it is hard to say how long people will watch traditional television and channels like CBS. However, I do not think these new companies will be taking over corporations like CBS anytime too soon. Also, I do not know how long it will take them to get those electronic billboards up and running successfully and how efficient they will be. Since I have some uncertainty with CBS in the long term I chose them to have an abnormal growth rate to 2016. The fundamental value obtained is \$95.92 which is much higher than what they are currently trading at and still even way higher than their 52 week high. I do not know how CBS will do in the long run that is why I changed the above normal growth period to 2015 in my sensitivity analysis. Although I think CBS is a great company now, 5 or 6 years down the road I am really uncertain that is why the long term growth rate did not affect my fundamental valuation price too much. Changing the discount

rate to 7% gave me an implied price that is very close to where CBS is currently trading and that is why I chose that rate. Lastly, changing the ROE had very little effect on my implied price because ROE affects what happens to the price much later down the road.

Section (D) Relative Valuation

Copy/paste your completed relative valuation spreadsheet here

CBS													
				Mean FY2									
				Earnings Estimate	Forward	Mean LT	PEG	P/B	ROE	Value	P/S	P/CF	
Ticker	Name	Mkt Cap	Current Price	(next fiscal year)	P/E	Growth Rate		(MRQ)	5 yr ave	Ratio	TTM	TTM	
1	NWSA	News Corp	\$ 73,450.43	\$ 31.54	\$ 1.96	16.09	15.52%	1.04	2.61	6.42%	0.41	2.14	13.45
2	DIS	Walt Disney Co	\$ 109,319.20	\$ 60.55	\$ 3.88	15.61	12.44%	1.25	2.66	12.59%	0.21	2.55	13.49
3	VIAB	Viacom Inc	\$ 32,936.75	\$ 66.50	\$ 5.40	12.31	13.94%	0.88	4.61	20.64%	0.22	2.08	13.5
4	TWX	Time Warner Inc	\$ 55,545.42	\$ 59.46	\$ 4.25	13.99	12.55%	1.11	1.85	2.97%	0.62	1.93	14.21
	CBS	CBS Corp	\$ 29,299.16	\$ 46.57	\$ 3.39	13.74	14.50%	0.95	2.87	-14.29%	(0.20)	2.08	13.5
Implied Price based on:					P/E	PEG	P/B	Value	P/S	P/CF			
1	NWSA	News Corp			\$54.55	\$50.97	\$42.35	-\$94.27	\$47.91	\$46.40			
2	DIS	Walt Disney Co			\$52.90	\$61.66	\$43.16	-\$48.99	\$57.09	\$46.54			
3	VIAB	Viacom Inc			\$41.75	\$43.42	\$74.80	-\$51.79	\$46.57	\$46.57			
4	TWX	Time Warner Inc			\$47.43	\$54.80	\$30.02	-\$144.43	\$43.21	\$49.02			
		High			\$54.55	\$61.66	\$74.80	-\$48.99	\$57.09	\$49.02			
		Low			\$41.75	\$43.42	\$30.02	-\$144.43	\$43.21	\$46.40			
		Median			\$50.17	\$52.88	\$42.76	-\$73.03	\$47.24	\$46.55			

I chose News Corporation because they are a mass media corporation like CBS. News Corp owns the Fox Broadcasting Company along with several other networks. I chose Disney as a competitor because of their presence in television. I thought Viacom was a great competitor because they own cable networks MTV, BET, Comedy Central and Spike which are direct competitors of CBS cable networks. Lastly, I chose Time Warner Inc. as a competitor because they own HBO, which is the leading cable premium channel, and they directly compete with CBS's Showtime.

From the top panel

Discuss whether your stock and its competitors have very different multiples. Point out if any of the five stocks have multiple that is far off from the others. Make an attempt to explain why (you would want to read analyst research report in *Morningstar Direct*; you should also look for comments from other financial sites). **The discussions should address all of the following valuation metrics: forward P/E, PEG, P/B (MRQ), P/S (TTM), and P/CF (TTM).**

Compare the implied prices derived from various valuation metrics. Also compare those implied price to the stock's current price, and 52-week high and low.

When looking at the top panel you see a lot of similarities between CBS and their competitors. The forward P/E ratios had a very tight range going from 12.31-16.09 and CBS was right in the middle. When comparing PEG, again there is small range from .88-1.25. CBS is closer to the bottom with a favorable PEG of .95. The P/B ratios of News Corp, Disney, and CBS are very close all hovering above the industry average. This could mean that these companies are overvalued. The P/S ratios of CBS and their competitors are all very close to one another. CBS has a P/S ratio of 2.08 which is significantly lower than the industry average which could mean CBS is undervalued. Price to cash flows was more of the same, meaning they all had very similar ratios.

From the bottom panel

Discuss the various implied prices of your stock derived from competitors' ("comparables") multiples. How different are the prices derived from the various valuation metrics? Note any valuation metrics that seem to yield outlier prices and explain why (**HINT:** is that because that particular valuation metrics is not very relevant for the industry? Do you best to provide convincing arguments).

For each valuation metrics, Compare the current price and 52-week high /low of your stock to the High-low range derived from multiples of its competitors.

Among the valuation metrics analyzed, **which ones do you think are most relevant as a valuation tool for your stock?**

Several of the implied prices given are very close to what CBS is currently trading at. However, there is an outlier. The implied price based on value is negative and does not make much sense; this is due to the negative return on equity so it is expected for them to have negative implied prices which are not feasible. I do not think this metric is relevant because of this.

The implied prices for the forward P/E ratio are all close to what CBS is currently trading at. Viacom has the low at 41.75 and Disney has the high at 52.90. CBS is currently trading close to their 52 week high so I think it is a good indicator that some of the implied prices go beyond

that. Implied prices on PEG again had CBS's current price in the range. The P/B implied prices had a much larger range than the other implied prices. Viacom has a much higher P/B ratio than CBS and Time Warner has a much lower P/B ratio and that is what caused their implied prices to be such outliers. The P/S and P/CF implied prices are again similar with most of the prices being close to the current price of CBS.

I think the most relevant valuation metric for CBS is the PEG ratio. CBS has a good PEG ratio of .95. I think this metric is the most relevant because of the way it takes into account the earnings growth of the company and in this sector I think that is important.

Section (E) Revenue and Earnings Estimates

Copy/Paste the “Historical Surprises” Table from *Reuters.com*, “Analysts” tab (include both revenue and earnings; make note that revenues might be in “millions”)

Review recent trends in company’s reported revenue and earnings, and discuss whether (1) the company has a pattern of “surprising” the market with numbers different from analysts’ estimates; (2) Were they positive(actual greater than estimate) or negative (actual less than estimate) surprises? (3) Were surprises more notable for revenue or earnings? (4) Look up the stock chart to see how the stock price reacted to the “surprises. **NOTE:** Reuters does not put the sign on the surprise. **You need to put a “negative” sign when it is a negative surprise.**

Historical Surprises

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-12	3,783.39	3,698.00	85.39	-2.26
Quarter Ending Sep-12	3,490.81	3,418.00	72.81	-2.09
Quarter Ending Jun-12	3,528.55	3,476.00	52.55	-1.49
Quarter Ending Mar-12	3,781.66	3,924.00	142.34	3.76
Quarter Ending Dec-11	3,905.75	3,784.00	121.75	-3.12
Earnings (per share)				
Quarter Ending Dec-12	0.68	0.64	0.04	-6.32
Quarter Ending Sep-12	0.61	0.60	0.01	-0.99
Quarter Ending Jun-12	0.59	0.65	0.06	10.96
Quarter Ending Mar-12	0.44	0.53	0.09	20.29
Quarter Ending Dec-11	0.53	0.57	0.04	6.88

CBS definitely has a pattern of surprising the analysts. Several estimates are quite far from the actual. Revenues had all but one positive surprise, earnings had two negative surprises and three positive surprises but the positive surprises are much more significant than the negative surprises. I would say surprises were more notable for earnings because of how significant some of the surprises were. The stock price did not react too much to the surprises given which I didn’t expect considering how big some of the surprises were.

Copy/paste the “Consensus Estimates Analysis” Table from *Reuters.com*, “Analysts” tab (include both revenue and earnings)

Review the range and the consensus of analysts’ estimates. (1) Calculate the % difference of the “high” estimate from the consensus (mean); (2) Calculate the % (negative) difference of the “low” estimate from the consensus; (3) Are the divergent more notable for the current or out-quarter, FY1 or FY2, revenue or earnings? (4) Note the number of analysts providing LT growth rate estimate. It that roughly the same as the number of analysts providing revenue and earnings estimates?

	# of Estimates	Mean	High	Low	1 Year Ago	Difference from high	Difference from low
SALES (in millions)							
Quarter Ending Jun-13	25	3,508.82	3,647.00	3,407.00	3,861.34	3.94%	-2.90%
Quarter Ending Sep-13	25	3,495.72	3,658.16	3,351.00	3,918.28	4.65%	-4.14%
Year Ending Dec-13	28	14,895.00	15,106.00	14,571.00	15,733.10	1.42%	-2.18%
Year Ending Dec-14	26	15,323.00	15,844.00	13,865.00	16,255.60	3.40%	-9.52%
Earnings (per share)							
Quarter Ending Jun-13	27	0.75	0.88	0.64	0.72	17.33%	-14.67%
Quarter Ending Sep-13	26	0.78	0.88	0.69	0.77	12.82%	-11.54%
Year Ending Dec-13	30	3	3.25	2.8	2.72	8.33%	-6.67%
Year Ending Dec-14	27	3.39	3.65	3.15	3.1	7.67%	-7.08%
LT Growth Rate (%)	3	14.5	17.8	12.2	14.25	22.76%	-15.86%

For sales it seems that the out quarter is more divergent but for earnings the current quarter appears more deviant. When comparing FY1 and FY2, FY2 is the more divergent group. Earnings has a much larger range and is a lot more divergent than sales. There are only three analysts who gave estimates on the LT growth rate which is much smaller than the amount of estimates being given for sales and earnings.

Copy/paste the “Consensus Estimates Trend” Table from *Reuters.com*, “Analysts” tab (include both revenue and earnings)

Review recent trend of analysts’ consensus (mean) estimates on revenue and earnings. (1) Are the consensus estimates trending up, down, or stay the same? (2) Is the trend more notable for the near- or out- quarter, FY1 or FY2, revenue or earnings?

Consensus Estimates Trend

Sales and Profit Figures in US Dollar (USD)

Earnings and Dividend Figures in US Dollar (USD)

	Current	1 Week Ago	1 Month Ago	2 Month Ago	1 Year Ago
SALES (in millions)					
Quarter Ending Jun-13	3,508.82	3,519.79	3,530.42	3,540.75	3,861.34
Quarter Ending Sep-13	3,495.72	3,488.98	3,493.23	3,550.48	3,918.28
Year Ending Dec-13	14,895.00	14,884.70	14,892.50	15,201.00	15,733.10
Year Ending Dec-14	15,323.00	15,315.20	15,370.50	15,734.80	16,255.60
Earnings (per share)					
Quarter Ending Jun-13	0.75	0.76	0.76	0.75	0.72
Quarter Ending Sep-13	0.78	0.78	0.79	0.78	0.77
Quarter Ending Dec-13	3.00	2.99	2.99	2.93	2.72
Quarter Ending Dec-14	3.39	3.39	3.39	3.31	3.10

For sales the consensus estimates are going down slightly but for earnings the estimates are going up. For sales the downward trend is more notable for the out quarter but for earnings the upward trend is more notable near quarter. The trends for FY1 and FY2 for are the same for both sales and earnings. I think the downward trend of sales is less significant than the upward trend for earnings.

Copy/paste the “Estimates Revisions Summary” Table from *Reuters.com*, “Analysts” tab (include both revenue and earnings)

Review the number of analysts revising up or down their estimates (both revenue and earnings) **in the last and last four weeks.** (1) Note whether there are more up or down revisions; (2) are

the revisions predominantly one directional? (3) Any notable difference last week versus last four weeks, revenue versus earnings?

Estimates Revisions Summary

Number Of Revisions:	Last Week		Last 4 Weeks	
	Up	Down	Up	Down
Revenue				
Quarter Ending Jun-13	1	3	0	7
Quarter Ending Sep-13	3	2	5	5
Year Ending Dec-13	5	0	7	4
Year Ending Dec-14	2	1	7	3
Earnings				
Quarter Ending Jun-13	0	4	2	5
Quarter Ending Sep-13	2	3	4	4
Year Ending Dec-13	3	0	4	1
Year Ending Dec-14	1	1	4	3

In the last four weeks the amount of up and down revisions are almost identical for both revenue and earnings. For the last week, there are a lot more up revisions for revenue but for earnings there are a couple more down revisions. The revisions are scattered and not one directional in the least. There does not seem to be any notable differences between the revisions from last week and the last four weeks.

You will need to incorporate what you see here with Morningstar's analyst research report (you can access ***Morningstar Direct at the Financial Markets Lab.***) and other readings/analysis you found from various on-line financial sites. Discuss whether you think the company has a good chance of making or beating analyst consensus estimate, and why. Based on how the stock has been trading lately, do you think market has already anticipated strong or lackluster financial outlook from the company?

Section (F) Analysts' Recommendations

Copy/paste the "Analyst Recommendations and Revisions" Table from *Reuters.com*, "Analysts" tab. NOTE: Make sure you copy the entire table including the "Mean Rating" at the bottom of the table.

Analyst Recommendations and Revisions

1-5 Linear Scale	Current	1 Month Ago	2 Month Ago	3 Month Ago
(1) BUY	9	9	9	8
(2) OUTPERFORM	11	11	11	11
(3) HOLD	7	7	7	8
(4) UNDERPERFORM	0	0	0	0
(5) SELL	0	0	0	0
No Opinion	0	0	0	0
Mean Rating	1.93	1.93	1.93	2.00

Review the trend of analyst recommendations over the last three months. Is there a notable change of analyst opinions, turning more bullish or bearish? How many different ratings out of the five possible ones did the company receive currently, one, two, and three months ago? Is there a notable trend of opinion convergence or divergence? Is what you see here consistent to comments in Morningstar analyst's research report as well as various online financial sites you had researched on?

There are not many notable changes of analysts' opinions. From three months ago to two months ago the buy recommendation gained one and the hold recommendation lost one turning analysts more bullish for this stock. The only recommendations given have been to hold outperform and buy. There does not seem to be a notable trend of opinion convergence or divergence because there has not been much change over the past three months in analyst recommendations. This is consistent with what I have read on Morningstar as well as the other resources I've used. The overall sentiment of the stock is bullish.

NOTE: On a Five-point scale, Reuters assigns “1” to “Buy”, the most bullish recommendation, and “5” to “Sell”, the most bearish recommendation. **Some other online sites have opposite scale, with their “1” being the most bearish and “5” being the most bullish recommendations.**

Revision Date	Upgrade or Downgrade	Current Recommendation	Previous Recommendation	Firm	Last Revision
The most recent revision date					
The earliest revision date in the last two months					

- If your company’s recent earnings report was more than two months old, how many of the recommendation changes were from (1) the most recent week, (2) a week ago, (3) two weeks ago, and (4) three weeks ago. Please report separately up- and down-grades.

I did not find any up or downgrades for the CBS Corporation.

Section (G) Institutional Ownership

Copy/paste the completed *"CIF Institutional Ownership" spreadsheet* here.

CBS				
Ownership Activity	# of Holders	% Beg. Holders	Shares	% Shares
Shares Outstanding			586,420,890	100.00%
# of Holders/Tot Shares Held	719	100.70%	508,602,838	86.73%
# New Positions	10	1.40%		
# Closed Positions	5	0.70%		
# Increased Positions	29	4.06%		
# Decreased Positions	33	4.62%		
Beg. Total Inst. Positions	714	100.00%	508,125,473	86.65%
# Net Buyers/3 Mo. Net Chg	-4	46.77%	477,365	0.08%
Ownership Information		% Outstanding		
Top 10 Institutions % Ownership	35.00%			
Mutual Fund % Ownership	13.85%			
Float %	86.15%			
> 5% Ownership				
Holder Name	% Outstanding	Report Date		
Waddell & Reed Investment Managemel	6.50%	12/31/2012		

Combine information provided in all three sections to discuss whether (1) institutions, on net basis, have been increasing or decreasing ownership and how significant, (2) the stock has sizable institution interests and support, (3) the extent of the (> 5%) owners, and (4) this could be a bullish or bearish indication of future stock price movement.

There were 10 new positions opened and 5 closed which is a bullish indicator for the stock. However, there were 33 decreased positions and only 29 increased positions which is a bearish signal. CBS does have sizeable institutional ownership at almost 86%. There is only one holder that has greater than a 5% and that is Waddell & Reed Investment Management. I think having one institution with more than 5% is neither bullish nor bearish.

Section (H) Short Interest (two pages)

From <http://www.nasdaq.com/> (NASDAQ's website)

Copy/paste or enter the data in the following table. You also need to copy/paste the chart to the right.

Copy/paste or type the information from "short interest" table. You will start from the most recent release date, and go back for a year (some stocks may not have data go back for a year)

Copy/paste the chart to the right of the "short interest" table, immediately follow the table below

NOTE: You are encouraged to look at the short interest information for two of the companies' closest competitors. This will help gauge whether the sentiment indicated in the short interest statistics is company specific or industry-wide.

Settlement Date	Short Interest	Average Daily Shares Volume	# of Days to cover
-----------------	----------------	-----------------------------	--------------------

CBS Corporation

Settlement Date	Short Interest	Avg Daily Share Volume	Days To Cover
3/28/2013	14,282,602	6,527,670	2.188009
3/15/2013	13,622,828	6,932,058	1.965192
2/28/2013	13,583,301	8,288,489	1.638815
2/15/2013	12,163,394	6,429,240	1.891887
1/31/2013	12,406,407	9,372,326	1.323728
1/15/2013	10,455,134	7,576,606	1.379923
12/31/2012	11,146,942	6,520,457	1.709534
12/14/2012	10,144,416	5,036,598	2.014140
11/30/2012	10,426,976	5,275,736	1.976402
11/15/2012	10,659,869	7,800,867	1.366498
10/31/2012	9,973,066	5,939,815	1.679020
10/15/2012	10,085,245	8,947,202	1.127195
9/28/2012	8,733,126	8,340,148	1.047119
9/14/2012	12,595,396	5,675,999	2.219062
8/31/2012	10,747,814	3,918,929	2.742539
8/15/2012	10,939,683	5,756,987	1.900245

7/31/2012	12,634,262	5,951,539	2.122856
7/13/2012	12,356,888	4,753,921	2.599304
6/29/2012	12,470,887	6,301,160	1.979141
6/15/2012	14,862,889	6,410,641	2.318472
5/31/2012	13,748,735	7,529,636	1.825949
5/15/2012	8,525,645	9,233,732	1.000000
4/30/2012	8,613,160	6,933,589	1.242237
4/13/2012	8,144,969	8,172,696	1.000000



News Corporation

Settlement Date	Short Interest	Avg Daily Share Volume	Days To Cover
3/28/2013	37,396,330	11,581,782	3.228893
3/15/2013	37,232,105	14,968,226	2.487409
2/28/2013	34,922,518	16,103,266	2.168661
2/15/2013	30,423,169	22,630,025	1.344372
1/31/2013	23,515,213	18,419,074	1.276677

1/15/2013	26,604,848	13,728,914	1.937870
12/31/2012	24,052,037	15,517,122	1.550032
12/14/2012	27,195,163	16,709,383	1.627538
11/30/2012	31,097,590	14,422,200	2.156231
11/15/2012	33,236,727	18,235,566	1.822632
10/31/2012	32,487,416	13,698,134	2.371667
10/15/2012	33,204,609	13,690,556	2.425366
9/28/2012	38,564,280	12,866,386	2.997289
9/14/2012	39,662,211	16,485,844	2.405834
8/31/2012	43,225,435	12,508,349	3.455727
8/15/2012	46,657,598	17,988,446	2.593754
7/31/2012	39,152,996	14,317,422	2.734640
7/13/2012	34,360,725	15,414,486	2.229119
6/29/2012	34,851,520	30,193,806	1.154261
6/15/2012	34,621,498	19,292,297	1.794576
5/31/2012	29,126,689	16,832,632	1.730370
5/15/2012	28,029,948	17,177,532	1.631780
4/30/2012	31,167,757	13,580,188	2.295090
4/13/2012	30,253,884	13,347,322	2.266663



Time Warner Inc.

Settlement Date	Short Interest	Avg Daily Share Volume	Days To Cover
3/28/2013	20,444,600	5,741,146	3.561066
3/15/2013	24,147,868	8,638,932	2.795238
2/28/2013	20,891,664	5,179,720	4.033358
2/15/2013	20,259,225	7,678,466	2.638447
1/31/2013	19,724,668	4,787,900	4.119691
1/15/2013	21,221,406	5,625,125	3.772611
12/31/2012	21,851,203	5,449,545	4.009730
12/14/2012	20,608,666	7,274,971	2.832818
11/30/2012	25,553,621	6,266,269	4.077964
11/15/2012	29,711,668	7,280,157	4.081185
10/31/2012	29,312,749	5,590,298	5.243504
10/15/2012	31,005,965	5,346,775	5.799003
9/28/2012	32,013,918	7,365,910	4.346227
9/14/2012	31,091,588	7,340,662	4.235529
8/31/2012	30,608,344	6,570,710	4.658301

8/15/2012	32,774,662	10,573,870	3.099590
7/31/2012	26,047,142	8,190,540	3.180150
7/13/2012	28,155,406	5,155,417	5.461325
6/29/2012	26,169,741	7,747,553	3.377807
6/15/2012	26,219,492	6,628,475	3.955584
5/31/2012	25,821,470	5,995,427	4.306861
5/15/2012	28,094,798	5,575,139	5.039300
4/30/2012	29,443,216	5,454,427	5.398040
4/13/2012	29,825,197	6,246,935	4.774373



From <http://finance.yahoo.com/>

Complete the following table with information from the *"share statistics" table*.

Avg Vol (3 month)	Avg Vol (10 day)	Shares Outstanding	Float
7,315,830	6,396,590	629.16M	585.87M
Shares Short (Most recent date)	Short Ratio (Most recent date)	Short % of Float (Most recent date)	Shares Short (prior month)
13.62M	1.7	N/A	13.58M

Based on the short interest statistics and its recent trend, how is the market sentiment on the stock? Has the sentiment turned more bullish or bearish over the last year? How about in more recent month and why?

With a favorable short ratio of 1.7 the market sentiment on CBS seems to a positive one. CBS Corporation's Days to cover have gone up a little in the past year for CBS which is a bearish indicator and not a good sign for CBS. In the past month their days to cover have gone up a bit which is another bearish signal but days to cover is still only at 2.18 so I do not think it is that significant.

Section (I) Stock Charts

A three months price chart

Copy/paste the "3 Mos." stock chart here

CBS Corporation (CBS) - NYSE

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46.57 +0.27 (0.58%) Apr 12, 4:00PM EDT | After Hours : **46.57** 0.00 (0.00%) Apr 12, 4:36PM EDT

Enter name(s) or symbol(s)

GET CHART

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TECHNICAL INDICATORS ▾

CHART SETTINGS ▾

RESET

Apr 5, 2013: CBS 45.20



A one year price chart

Copy/paste the "1 Yr" stock chart here

CBS Corporation (CBS) - NYSE

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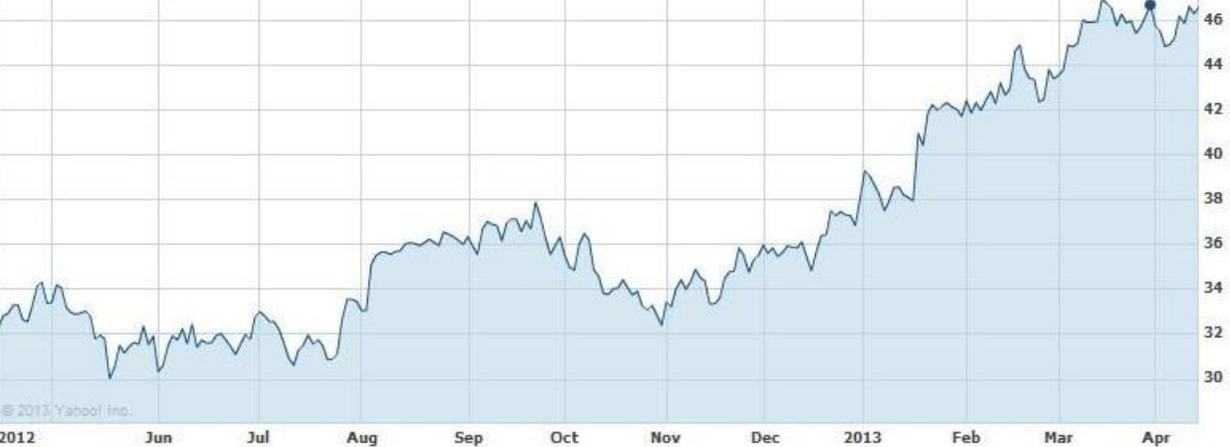
EVENTS ▾

TECHNICAL INDICATORS ▾

CHART SETTINGS ▾

RESET

Mar 28, 2013: CBS 46.69



A five year price chart

Copy/paste the "5 Yrs." stock chart here

CBS Corporation (CBS) - NYSE

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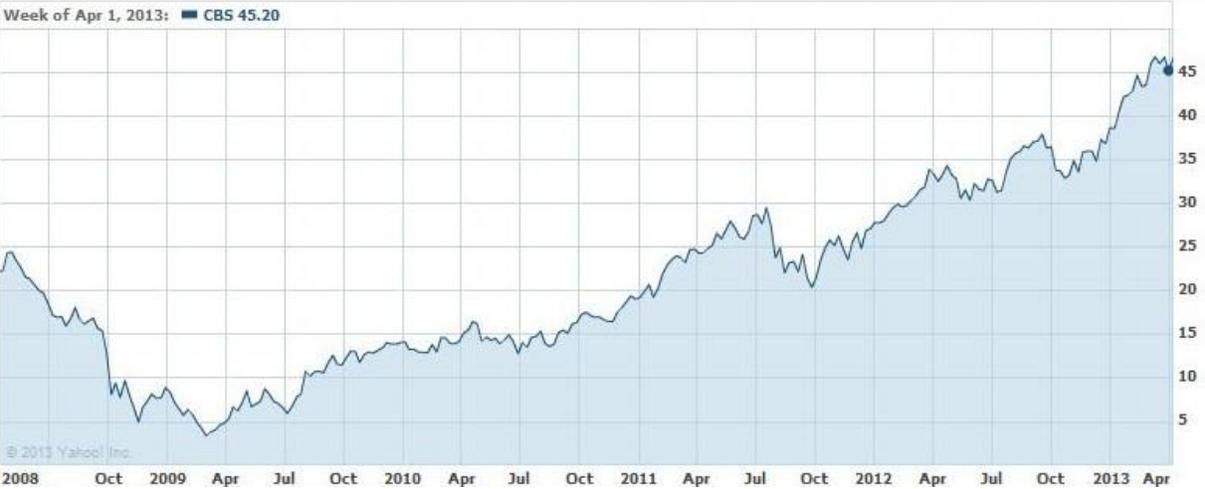
EVENTS ▾

TECHNICAL INDICATORS ▾

CHART SETTINGS ▾

RESET

Week of Apr 1, 2013: ■ CBS 45.20



Additional price chart

If you have other stock charts, feel free to copy/paste here

CBS Corporation (CBS) - NYSE

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CBS Corporation (CBS) - NYSE

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CBS Corporation Class B Common



CBS Corporation Class B Common



Discuss what you observe from the stock charts. This should include comparing your stock to competitors, sector, and SP500 over the three different time horizons.

In the 3 month stock chart, you see a very good and generally consistent rise of the stock price. Three months ago CBS was trading at \$38.21 and is now trading at \$46.57 which is a 21.88% increase. In the one year stock chart you see CBS hang steady until about November and that is when it really starts to climb having growth for year at 43.25%. In the 5 year stock chart, you can see the effect of the economic recession but since about October of 2009 it seems to have steady growth. The stock has grown 109.12% in the past 5 years. When

comparing CBS to their competitors, the sector, and the market you see how well CBS has done outperforming everyone. In the technical analysis charts you see both of them have had golden crosses most recently which is a good sign for the stock.

Sources:

- [Reuters.com](https://www.reuters.com)
- [Finance.yahoo.com](https://finance.yahoo.com)
- [Nasdaq.com](https://www.nasdaq.com)
- [Morningstar](https://www.morningstar.com)
- [Google.com/finance](https://www.google.com/finance)
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- [Cbcorporation.com](https://www.cbcorporation.com)
- [Cnbc.com](https://www.cnbc.com)