

Date: 11/3/2012Analyst Name: Matthew Vague**Devon Energy Corp (DVN)**

Company Name and Ticker:

Section (A) Summary

Recommendation Buy: Yes NO		Target Price: \$75.00	Stop-Loss Price: \$50
Sector: Energy	Industry: Major Independent Oil and Gas	Market Cap (in Billions): \$23.7	# of Shrs. O/S (in Millions): 404,491,232
Current Price: \$57.80	52 WK Hi: \$76.26	52 WK Low: \$54.01	EBO Valuation: \$42.91
Morningstar (MS) Fair \$110.00	MS FV Uncertainty: High	MS Consider Buying: \$66.00	MS Consider Selling: \$170.50
EPS (TTM): 5.96	EPS (FY1): 3.16	EPS (FY2): 4.57	MS Star Rating: BBB+
Next Fiscal Yr. End "Year":12 "Month":12	Last Fiscal Qtr. End: Less Than 8 WK:	If Less Than 8 WK, next Earnings Ann. Date: Nov. 7	Analyst Consensus Recommendation: buy
Forward P/E: 12.65	Mean LT Growth: 6.4%	PEG: 1.98	Beta: 1.13
% Inst. Ownership: 76.85%	Inst. Ownership- Net Buy: Y	Short Interest Ratio: 2.5	Short as % of Float: 1.60%
<u>Ratio Analysis</u>	<u>Company</u>	<u>Industry</u>	<u>Sector</u>
P/E (TTM)	9.7	27.8	15.19
P/S (TTM)	2.1	0.5	2.89
P/B (MRQ)	1.05	0.49	0.68
P/CF (TTM)	4.67	3.78	8.69
Dividend Yield	1.38	2.28	2.06
Total Debt/Equity (MRQ)	47.71	13.81	14.40
Net Profit Margin (TTM)	22.00	3.58	11.24
ROA (TTM)	5.98	4.10	3.78
ROE (TTM)	11.11	6.90	5.95

Investment Thesis

Devon Energy Corp went through a restructuring process selling off their offshore and international assets to focus on their US and Canadian onshore operations. Due to that their revenues, cash and cash equivalents were very high last year which has caused them to take a step back in earnings this year compared to last year. Because of all this their stock price has dropped and is very near their 52 week low which in my opinion makes it a good time to buy. They have made some deals with foreign companies and are working toward reducing cost by closing an office which should cut costs by 80 million a year.

Summary:

Company Profile: Devon Energy Corporation engages primarily in exploration, development, and production of oil, natural gas, and natural gas liquids.

Fundamental Valuation: The EBO implied price I got using a 2 year abnormal growth period is \$42.91. I believe it is lower than the actual price because their discount rate is high. Just changing it to 8% instead of 10.4% brings the price to the actual price.

Relative Valuation: using either the forward P/E ratio or the P/S ratio to get an implied price gives a mean price that is slightly higher than Devon’s actual price.

Revenue and Earnings Estimates: their revenue and earnings per share estimates are low compared to last year because they sold off a lot of assets in 2010 but I think it’s good because they have realistic expectations.

Analyst Recommendations: the Reuters analysts have a mean rating of 1.93 with most of the recommendations being outperform or buy, looking at yahoo finance showed an almost identical recommendation.

Institutional Ownership: about 76% of ownership is institutions and no single owner owns 5% or more of outstanding shares which I like. Also there were more new positions than closed positions.

Short Interest: the short interest has gone up quite a bit over the last year as people realized they could not match their revenue from last year but over the last 3 months it has gone back down quite a bit.

Stock Price Chart: the price has dropped throughout the year but has steadied and I believe is poised to go back up.

Section (B) Company Profile (two pages maximum)

Company Summary

Business Model, Competition, Environment and Strategy

Devon Energy Corporation engages primarily in exploration, development, and production of oil, natural gas, and natural gas liquids. Their operations are focused onshore in the United States and Canada. They also own natural gas pipelines and treatment facilities in many of their producing areas, making them one of North America's larger processors of natural gas liquids. Devon's primary goals are "to build value per share by; Exploring for undiscovered oil and natural gas reserves; Purchasing and developing oil and natural gas properties; Enhancing the value of production through marketing and midstream activities; Optimizing production operations to control costs; Maintaining a strong balance sheet" (DevonEnergy.com).

Within the United States Devon's is focused are focused in four producing regions located in the Mid-West. They are continuing to explore for new resources from the Rocky Mountains to the Gulf Coast of Texas and Louisiana. They are also one of the biggest independent gas and oil producers in Canada. Their Canadian production is about half natural gas and half liquids. Although many areas in Canada are restricted to winter-only access, which causes drilling activity to be only during the coldest months.

Just recently Devon Energy Corporation unveiled a new business strategy that focuses on their onshore portfolio. As of 2010 they planned to divest all of its Gulf of Mexico and international assets and retire debt. Devon's chairman did not believe that the value of their high quality Gulf and International assets was being reflected in the stock price but that by monetizing them they will realize their full value. According to their balance sheet their cash and cash equivalents almost doubled from 2010 to 2011, but their current liabilities also rose by almost 2 million dollars in that time. So it seems they were able to convert monetize their off shore and international assets but did not reduce their debt in the process.

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.)

Fiscal Quarter	2012 (Fiscal Year)	2011 (Fiscal Year)	2010 (Fiscal Year)
March			
Revenue	\$2,497(m)	\$2,147(m)	\$3,220(m)
EPS	0.97 (3/31/2012)	0.97 (3/31/2011)	2.66 (3/31/2010)
Dividends	0.2	0.16	0.16
June			
Revenue	\$2,559(m)	\$3,220(m)	\$2,232(m)
EPS	1.18 (6/30/2012)	6.44 (6/30/2011)	1.58 (6/30/2010)
Dividends	0.2	0.17	0.16
September			
Revenue		\$3,502(m)	\$2,353(m)
EPS		2.52 (9/30/2011)	4.75 (9/30/2010)
Dividends		0.17	0.16
December (FYE)			
Revenue		\$2,585(m)	\$2,135(m)
EPS		1.32 (12/31/2011)	1.32 (12/31/2010)
Dividends		0.17	0.16
Totals			
Revenue	\$5,056(m)	\$11,454(m)	\$9,940(m)
EPS	2.15	11.25	10.31
Dividends	0.4	0.67	0.64

FOUND THIS CHART ON NASDAQ.COM BECAUSE I COULD NOT FIND THE RIGHT CHART ON REUTERS.COM

Revenue dropped by a lot from the 1st quarter of 2012 to the 2nd quarter but then was pretty steady the other 3 quarters. In 2011 the 2nd and 3rd quarters were much higher than the 1st and 4th quarters but so far in 2012 there has been slight growth from the 1st quarter to the 2nd quarter. 2012 is on pace to be better than 2010 for revenue but come up short of 2011. There was a wide range for earnings per share in 2010 and 2011 but it has just been really low so far in 2012.

Section (C) Fundamental Valuation (EBO)

Include the following here:

Copy/paste completed Fundamental Valuation (EBO) Spreadsheet

\$42.43 if changing growth rate from mean (consensus) to the lowest estimate
 5.2%

 \$28.43 if changing discount rate to 15%

 \$42.43 if changing target ROE to 15%

Section (D) Relative Valuation

Copy/paste your completed relative valuation spreadsheet here

DVN													
Mean FY2													
Ticker	Name	Mkt Cap	Current Price	Earnings Estimate (next fiscal year)	Forward P/E	Mean LT Growth Rate	PEG	P/B (MRQ)	ROE 5 yr ave	Value Ratio	P/S TTM	P/CF TTM	
1	APA	Apache Corp	\$ 31,774.51	\$ 81.22	\$ 10.37	7.83	5.65%	1.39	1.03	11.78%	0.09	1.87	3.41
2	APC	Anadarko Petroleum Co	\$ 35,113.08	\$ 70.26	\$ 4.27	16.45	4.33%	3.80	1.72	5.34%	0.32	2.54	6.07
3	SFY	Swift Energy Co	\$ 654.15	\$ 15.24	\$ 1.54	9.90	10.00%	0.99	0.64	-0.39%	-1.64	1.18	2.42
4	ECA	Encana Corp	\$ 16,252.90	\$ 22.02	\$ 0.72	30.58	0.00%	#DIV/0!	2.95	13.92%	0.21	2.70	--
	DVN	Devon Energy Corp	\$23,380.10	\$ 57.80	\$ 4.57	12.65	6.40%	1.98	1.05	1.24%	0.85	2.10	4.67
Implied Price based on:					P/E	PEG	P/B	Value	P/S	P/CF			
1	APA	Apache Corp			\$35.79		\$40.54	\$56.70	\$5.97	\$51.47	\$42.21		
2	APC	Anadarko Petroleum Corp			\$75.20		\$111.14	\$94.68	\$21.99	\$69.91	\$75.13		
3	SFY	Swift Energy Co			\$45.23		\$28.94	\$35.23	#####	\$32.48	\$29.95		
4	ECA	Encana Corp			\$139.77		#DIV/0!	\$162.39	\$14.47	\$74.31	#VALUE!		
		High			\$139.77		#DIV/0!	\$162.39	\$21.99	\$74.31	#VALUE!		
		Low			\$35.79		#DIV/0!	\$35.23	#####	\$32.48	#VALUE!		
		Median			\$60.21		#DIV/0!	\$75.69	\$10.22	\$60.69	#VALUE!		

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.

Devon Energy Corp and its competitors have a wide range of earnings estimates for next year and Market Caps. This creates a wide range for P/E ratios. The Forward P/E ratios range from 7.83 to 30.58 with Devon Energy being 12.65. Encana Corp had somewhat of an outlier with a 30.58 P/E ratio. Encana Corp also had no Long-Term growth rate available which meant no PEG. The rest of the companies had pretty comparable PEG ratios with a range from 0.99 to 3.80. The P/B ratio is also very comparable with a range from 0.64 to 2.95. Devon has a low ROE compared to their competitors in general with a 1.24% 5 year average although Swift Energy

Co. does have a lower with a -0.39%. The other companies range from 5.34% to 13.92%. The P/S ratio is also very close to competitors with a range from 1.18 to 2.70. Encana Corp also had no P/CF available but Devon and the other competitors had a mild range from 2.42 to 6.07. Using the forward P/E ratio and the P/S ratio we see mean implied prices that are the closest to Devon's actual price. Forward PE ratio: \$60.21 and P/S ratio: \$60.69.

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 your 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?**

Using the forward P/E ratio and the P/S ratio we see mean implied prices that are the closest to Devon's actual price. Forward PE ratio: \$60.21 and P/S ratio: \$60.69. The P/S ratio range is the closest to Devon's actual 52 week range. P/S ratio: \$32.48 to \$74.31 and the actual 52 week range: \$54.01 to \$76.34. Unfortunately the PEG and P/CF ratios did not come up with implied prices because Encana Corp did not have the required info available. The P/B ratio came up with the widest range of implied prices and I think that is because it is not very relevant in the Energy Industry.

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.**

Estimates vs Actual	Estimate	Actual	Difference	Surprise %
SALES (in millions)				
Quarter Ending Jun-12	2,433.75	2,559.00	125.25	5.15
Quarter Ending Mar-12	2,547.44	2,497.00	-50.44	-1.98
Quarter Ending Dec-11	2,553.75	2,585.00	31.25	1.22
Quarter Ending Sep-11	2,651.28	3,502.00	850.72	32.09
Quarter Ending Jun-11	2,381.71	3,220.00	838.29	35.20
Earnings (per share)				
Quarter Ending Jun-12	0.81	0.55	-0.26	-31.72
Quarter Ending Mar-12	1.43	1.05	-0.38	-26.47
Quarter Ending Dec-11	1.48	1.55	0.07	4.91
Quarter Ending Sep-11	1.45	1.40	-0.05	-3.75
Quarter Ending Jun-11	1.54	1.71	0.17	11.20

In 2011 months ending September and June Devon Energy had very large revenue surprises but they were positive. The quarters ending December, 2011 and then in June and March of 2012 there were much smaller surprises with only March of 2012 being negative (by only 1.98%). After the surprise in June there was a spike in the stock price that lasted about 2 weeks before going on a steady decline until the surprise came out in September which lead to somewhat steady growth until February. As for the quarter ending March of 2012 with the -1.98%, the stock price had already been declining and had a slight valley that just turned into continued declining of the price.

For Earnings per share it has been somewhat opposite with the quarters ending June, September and December of 2011 being smaller surprises with only September being negative. But the months ending March and June of 2012 have been very large surprises and both were negative (-26.47% and -31.72% respectively). The big surprise in March 2012 just caused the stock price to continue declining but the surprise in June 2012 had little effect since the stock price had already basically bottomed out.

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
SALES (in millions)					
Quarter Ending Dec-12	8	2,406.92	2,533.47	2,211.71	3,202.33
Quarter Ending Mar-13	6	2,515.09	2,665.20	2,324.52	--
Year Ending Dec-12	9	9,550.24	9,987.00	8,166.00	11,128.60
Year Ending Dec-13	10	10,498.80	11,505.10	9,516.00	11,413.50
Earnings (per share)					
Quarter Ending Dec-12	24	0.81	1.11	0.55	1.91
Quarter Ending Mar-13	15	1.07	1.69	0.77	1.48
Year Ending Dec-12	28	3.16	4.20	2.84	6.68
Year Ending Dec-13	28	4.57	5.59	3.43	8.27
LT Growth Rate (%)	3	6.40	7.00	5.20	9.43
Quarter Ending Dec-12		5.26%		-8.11%	
Quarter Ending Mar-13		5.97%		-7.58%	

Year Ending Dec-12	4.57%	-14.49%
Year Ending Dec-13	9.58%	-9.36%
Quarter Ending Dec-12	37.04%	-32.10%
Quarter Ending Mar-13	57.94%	-28.04%
Year Ending Dec-12	32.91%	-10.13%
Year Ending Dec-13	22.32%	-24.95%

The Divergent are more notable for the quarters, FY1 and FY2 for earnings per share and revenue except for the earnings per share in the FY2. There are a lot less estimates for the Long-Term growth rate than for any of the other estimates.

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?

	Current	1 Week Ago	1 Month Ago	2 Month Ago	1 Year Ago
SALES (in millions)					
Quarter Ending Dec-12	2,406.92	2,415.55	2,427.70	2,442.86	3,202.33
Quarter Ending Mar-13	2,515.09	2,523.09	2,578.15	2,629.88	--
Year Ending Dec-12	9,550.24	9,561.86	9,545.71	9,749.86	11,128.60
Year Ending Dec-13	10,498.80	10,469.00	10,803.30	11,118.60	11,413.50
Earnings (per share)					
Quarter Ending Dec-12	0.81	0.82	0.85	0.93	1.91
Quarter Ending Mar-13	1.07	1.05	1.08	1.09	1.48
Quarter Ending Dec-12	3.16	3.17	3.23	3.46	6.68

There were a lot more revisions 4 weeks ago than last week and the trend is toward more downward revisions. The quarter ending March of 2013 had equal up and down revisions 4 weeks ago for revenue but last week there was just 1 down revision and no up revisions. For the same period for earnings per share there was 7 down and 4 up but last week it was 1 for up and 1 for down. Generally the ratio of down revisions to up revisions has gone down from 4 weeks ago but there is still more down revisions than up revisions.

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?

Devon Energy made a deal with Japans Sumitomo Corp worth 1.4 billion that will help accelerate its search for light oil and allow it to redirect funds to exploration elsewhere. They are also adding acreage in Mississippi following good well results. They are also closing a 500 person office in Houston that is estimated to save 80 million dollars a year. Some of the employees will be moved to other offices including an office in Oklahoma City. The estimate for the 3rd quarter of 2012 is very low so I believe they can make it because analysts realized they were going to be down from last year and reacted accordingly.

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.

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?

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.

ANALYST RECOMMENDATIONS AND REVISIONS

1-5 Linear Scale	Current	1 Month Ago	2 Month Ago	3 Month Ago
(1) BUY	10	10	9	9
(2) OUTPERFORM	11	11	10	10
(3) HOLD	8	8	9	9
(4) UNDERPERFORM	0	0	0	0
(5) SELL	0	0	0	0
No Opinion	0	0	0	0
Mean Rating	1.93	1.93	2.00	2.0

There has been a slight trend toward outperform and buy from hold. On yahoo it is almost identical with just 1 more analyst saying outperform instead of buy. There is the same amount of ratings as each previous month and they have turned slightly more bullish but with very little change.

Section (G) Institutional Ownership

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

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.

DVN				
Ownership Activity	# of Holders	% Beg. Holders	Shares	% Shares
Shares Outstanding			404,491,232	100.00%
# of Holders/Tot Shares Held	1,023	100.79%	310,851,512	76.85%
# New Positions	26	2.56%		
# Closed Positions	18	1.77%		
# Increased Positions	127	12.51%		
# Decreased Positions	159	15.67%		
Beg. Total Inst. Positions	1,015	100.00%	310,851,544	76.85%
# Net Buyers/3 Mo. Net Chg	-32	44.41%	-32	0.00%
Ownership Information	% Outstanding			
Top 10 Institutions % Ownership	22.71%			
Mutual Fund % Ownership	9.86%			
Float %	83.00%			

There are more new positions than closed positions which appears good but there have also been more decreased positions than increased which are a bad sign. The stock is a little more than 75% institutional owners and no one owner controls 5% or more of the outstanding shares. I don't think this shows a strong bullish or bearish position, owners decreasing positions is slightly bearish but more new positions than closed is bullish so I think there is just uncertainty.

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)

Settlement Date	Short Interest	Avg Daily Share Volume	Days To Cover
10/15/2012	6,504,122	2,282,480	2.849586
9/28/2012	7,412,852	2,941,885	2.519763
9/14/2012	9,386,325	3,153,716	2.976275
8/31/2012	9,476,179	2,966,299	3.194614
8/15/2012	8,308,557	2,674,549	3.106526
7/31/2012	6,751,900	3,448,503	1.957922
7/13/2012	6,386,592	2,976,456	2.145703
6/29/2012	6,764,080	4,638,551	1.458231
6/15/2012	7,060,615	4,151,018	1.700936
5/31/2012	7,342,756	4,130,738	1.777589
5/15/2012	7,118,645	4,574,097	1.556295
4/30/2012	5,351,635	3,673,101	1.456980
4/13/2012	6,789,226	3,944,352	1.721253
3/30/2012	5,089,776	3,553,859	1.432183
3/15/2012	4,626,387	3,059,565	1.512106
2/29/2012	6,187,813	4,425,045	1.398362
2/15/2012	6,511,369	4,536,151	1.435439
1/31/2012	5,630,018	2,844,093	1.979548
1/13/2012	6,471,628	3,591,291	1.802034
12/30/2011	5,213,017	2,715,133	1.919986
12/15/2011	7,348,123	3,401,415	2.160314

11/30/2011	7,127,144	3,140,435	2.269477
11/15/2011	6,762,097	3,793,454	1.782570

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.

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
2,730,770	2,396,680	404.50M	377.83M
Shares Short (Most recent date)	Short Ratio (Most recent date)	Short % of Float (Most recent date)	Shares Short (prior month)
6.50M	2.50	1.60%	7.41M

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?

Over the last year the short interest has gone up but it peaked in august and has gone down since then. Revenue and earnings was higher last year because they sold off a lot of assets but that has caused a drop in earnings this year which caused a bearish sentiment but that has been turning back to a more bullish sentiment recently.

Section (I) Stock Charts

A three months price chart

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

I could not figure out how to copy the charts on reuters.com so I got these off of nasdaq.com



A one year price chart

Copy/paste the "1 Yr" stock chart here



A five year price chart

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



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.

Starting with the 5 year chart, Devon Energy stayed close to the S&P 500 from 2009 until mid 2011 but has steadily underperformed the S&P 500 since then. They also underperformed compared to Apache and Anadarko. Looking at the 1 year chart they still underperformed the S&P 500 but outperformed their competitors. In the 3 month chart they were very close to their competitors (except Swift Energy) and the S&P 500 ending about the same as Apache and the S&P 500.

Sources

http://www.devonenergy.com/AboutDevon/Pages/about_devon.aspx#terms?disclaimer=yes

<http://finance.yahoo.com/q?s=DVN&gl=1>

<http://www.reuters.com/finance/stocks/overview?symbol=DVN>

<http://www.devonenergy.com/newsroom/Pages/NewsRelease.aspx?id=1355657>