

Date: 4/08/2013

Analyst Name: Frank McLaughlin

## CIF Stock Recommendation Report (Spring 2013)

Company Name and Ticker: Monsanto Co. (MON)

### Section (A) Summary

Recommendation Buy: <b>Yes</b>		Target Price: <b>\$115</b>	Stop-Loss Price: <b>\$95</b>
Sector: Materials	Industry: Agricultural Inputs	Market Cap (in Billions): 55.99	# of Shrs. O/S (in Millions): 535.81
Current Price: \$105.74	52 WK Hi: \$107.23	52 WK Low: \$69.71	EBO Valuation: \$64.62
Morningstar (MS) Fair Value Est.: \$93.00	MS FV Uncertainty: Medium	MS Consider Buying: \$65.10	MS Consider Selling: \$125.55
EPS (TTM): 4.69	EPS (FY1): 4.62	EPS (FY2): 5.68	MS Star Rating: 2 stars
Next Fiscal Yr. End "Year": 2013 "Month": September	Last Fiscal Qtr. End: Less Than 8 WK: N	If Less Than 8 WK, next Earnings Ann. Date: N/A	Analyst Consensus Recommendation: Outperform
Forward P/E: 20.3	Mean LT Growth: 11.78	PEG: 1.72	Beta: 0.93
% Inst. Ownership: 86.46	Inst. Ownership- Net Buy: N	Short Interest Ratio: 2.00	Short as % of Float: 0.90
<b><u>Ratio Analysis</u></b>	<b><u>Company</u></b>	<b><u>Industry</u></b>	<b><u>Sector</u></b>
P/E (TTM)	25.16	16.91	17.84
P/S (TTM)	4.00	2.16	2.42
P/B (MRQ)	4.56	1.08	0.98
P/CF (TTM)	18.43	13.23	11.06
Dividend Yield	1.44	2.40	1.83
Total Debt/Equity (MRQ)	16.97	17.82	31.16
Net Profit Margin (TTM)	16.39	13.25	6.93
ROA (TTM)	10.68	4.64	4.44
ROE (TTM)	19.27	7.77	6.69

<p><b><u>Investment Thesis</u></b></p> <ul style="list-style-type: none"> <li>-Revenue and earnings have both been steadily increasing over the past few years</li> <li>-The 1 year stock price chart shows that Monsanto has far outperformed the market and the materials sector</li> <li>-A great slow growth company that continuously makes acquisitions to improve their business segments</li> <li>-Although the ratio analysis suggests the stock could be overvalued, the ROA and ROE are both much higher than the industry and sector</li> <li>-Bullish analyst mean rating of 1.95</li> <li>-Recently released strong Q2 earnings that outperformed expectations</li> <li>-People will always need seeds to grow crops and vegetables so this is a safe stock</li> <li>-Before 2007-2008 crisis, the stock price got as high as \$130</li> <li>-Morningstar recently upgraded their fair value estimate for the stock</li> </ul>	<p><b><u>Summary</u></b></p> <p>Provide brief summary of your analysis in each section that follows</p>
	<p><b><u>Company Profile:</u></b></p> <p>A leading producer of agricultural products for farmers all around the globe. Uses biotechnology to enhance properties in seeds.</p>
	<p><b><u>Fundamental Valuation:</u></b></p> <p>4 year above average growth rate resulted in an implied price of \$64.62.</p>
	<p><b><u>Relative Valuation:</u></b></p> <p>Besides PEG, most of the other metrics suggest that Monsanto is currently overpriced compared to its competition.</p>
	<p><b><u>Revenue and Earnings Estimates:</u></b></p> <p>The company has seen many more positive surprises than negative surprises.</p>
	<p><b><u>Analyst Recommendations:</u></b></p> <p>Analysts appear bullish giving a mean rating estimate of 1.95.</p>
	<p><b><u>Institutional Ownership:</u></b></p> <p>The number of new positions is increasing at a faster rate than the number of closed positions which is a bullish sign.</p>
	<p><b><u>Short Interest:</u></b></p> <p>Short interest has slightly increased lately but that should not be too alarming seeing as their short interest seems to always bounce around.</p>
	<p><b><u>Stock Price Chart:</u></b></p> <p>All the charts look favorable for Monsanto. Especially in the past year, the company has outperformed the market and their sector.</p>

## **Section (B) Company Profile (two pages maximum)**

### **Company Summary**

Monsanto was founded in 1901 by John F. Queeny and is headquartered in Creve Coeur, Missouri. They are a biotechnology agricultural company and the world leader in producing genetically engineered seeds. Monsanto offers corn, soybean, cotton, wheat, sugar cane, sorghum and canola seeds. They are a giant company with a market cap of over \$55 billion.

The company owns over 20 brands between their seed segment and crop protection segment. “The Seeds and Traits segment consists of the company's global seeds and traits business, and genetic technology platforms - including biotechnology, breeding and genomics. The Crop Protection segment consists primarily of agricultural and industrial, turf and ornamental herbicide products.”

Monsanto's stock sharply decreased from the crisis in 2007-2008 but has slowly been recovering to the level that it was once at. From 2011 to 2012, net sales increased by \$1,682 million and gross profit went up by 16%. The net sales increased by a similar amount from 2010 to 2011 as well, so the company is definitely still growing.

## **Business Model, Competition, Environment and Strategy**

Monsanto is constantly using innovation to create new products while simultaneously keeping patents on their old products. They seem to be using a slow growth strategy as they consistently acquire one or two new businesses each year. In June of 2012 for example they acquired Precision Planting, a planting technology developer. And in September 2011 they acquired Beelogsics, a technology company in Israel that also researches pest control.

Due to Monsanto's sheer size, there are only a handful of direct competitors that it has around the world. These include DuPont, Mosaic and CF Industries. Monsanto has higher ratios than most of the companies it competes against but this isn't overly concerning because they also have a much higher return on assets and return on equity.

Monsanto's main strategy is to create sustainable agriculture. The philosophy they follow is "producing more, conserving more, saving lives.

## **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				EARNINGS PER SHARE			
Periods	2011	2012	2013	Periods	2011	2012	2013
November	1836.0	2439.0	2939.0	November	0.01653	0.23273	0.61436
February	4131.0	4748.0		February	1.87131	2.22757	
May	3608.0	4219.0		May	1.27864	1.74276	
August	2247.0	2098.0		August	-0.20744	-0.43112	
Note: Units in Millions of U.S. Dollars				Note: Units in U.S. Dollars			

-Revenue has repeated a similar pattern over the past 3 years, having their strongest performance by far in Q2. The numbers are very strong and have steadily increased. Earnings have also been very strong except they always seem to suffer in Q4. Similar to revenue, earnings are strongest during the second quarter. This is due to demand for agricultural products being highest at this time right before the spring season.

## Section (C) Fundamental Valuation (EBO)

Include the following here:

Copy/paste completed Fundamental Valuation (EBO) Spreadsheet

MON	PARAMETERS	FY1	FY2	Ltg										
	EPS Forecasts	4.62	5.28	12.98%	Model 1: 12-year forecasting horizon (T=12). and a 7-year growth period.									
	Book value/share (last fye)	22.14												
	Discount Rate	9.06%			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_ProfLee_Spreadsheet" file carefully									
	Dividend Payout Ratio (POR)	30.38%												
	Next Fisc Year end	2013												
	Current Fisc Mth (1 to 12)	7												
	Target ROE (industry avg.)	10.38%												
	Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
	Long-term EPS Growth Rate (Ltg)			0.1298	0.1298	0.1298	0.1298	0.1298						
	Forecasted EPS	4.62	5.28	5.97	6.74	7.61	8.60	9.72						
	Beg. of year BV/Shr	22.140	25.356	29.032	33.185	37.878	43.179	49.168						
	Implied ROE		0.208	0.205	0.203	0.201	0.199	0.198						
ROE	(Beg. ROE, from EPS forecasts)	0.209	0.208	0.205	0.203	0.201	0.199	0.198	0.179	0.160	0.141	0.123	0.104	
Abnormal ROE	(ROE-k)	0.118	0.118	0.115	0.112	0.110	0.109	0.107	0.088	0.070	0.051	0.032	0.013	
growth rate for B	(1-POR)*(ROE+1)	0.000	0.145	0.145	0.143	0.141	0.140	0.139	0.138	0.125	0.111	0.098	0.085	
Compounded growth		1.000	1.145	1.311	1.499	1.711	1.950	2.221	2.526	2.841	3.158	3.469	3.765	
growth*AROE		0.118	0.135	0.151	0.169	0.189	0.212	0.238	0.223	0.198	0.160	0.111	0.050	
required rate (k)		0.091	0.091	0.091	0.091	0.091	0.091	0.091	0.091	0.091	0.091	0.091	0.091	
Compound discount rate		1.091	1.189	1.297	1.415	1.543	1.683	1.835	2.001	2.183	2.380	2.596	2.831	
div. payout rate (k)		0.304												
Add to P/B	PV(growth*AROE)	0.11	0.11	0.12	0.12	0.12	0.13	0.13	0.11	0.09	0.07	0.04	0.02	
Cum P/B		1.11	1.22	1.34	1.46	1.58	1.71	1.83	1.95	2.04	2.10	2.15	2.16	
Add: Perpetuity														
beyond current yr	(Assume this yr's AROE forever)	1.19	1.25	1.28	1.32	1.35	1.39	1.43	1.23	1.00	0.74	0.47	0.19	
Total P/B	(P/B if we stop est. this period)	2.30	2.47	2.62	2.77	2.93	3.09	3.27	3.18	3.04	2.85	2.62	2.36	
Implied price		53.69	57.62	61.06	64.62	68.32	72.14	76.11	74.05	70.76	66.37	61.03	54.97	
Check:														
Beg. BV/Shr		22.14	25.36	29.03	33.19	37.88	43.18	49.17	55.93	62.90	69.91	76.79	83.35	
Implied EPS		4.62	5.28	5.97	6.74	7.61	8.60	9.72	10.01	10.07	9.88	9.41	8.65	
Implied EPS growth			0.143	0.130	0.130	0.130	0.130	0.130	0.030	0.007	-0.019	-0.047	-0.081	

### Inputs (provide below input values used in your analysis)

EPS forecasts (FY1 & FY2): 4.62 & 5.28

Long-term growth rate: 12.98%

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

Book value: 11,833.0

# of shares outstanding: 534.37

Book value / share: 22.14

Dividend payout ratio: 30.38%

Next fiscal year end: 2013

Current fiscal month: 7  
Target ROE: 10.38%

### **Output**

Above normal growth period chosen: 4 years  
EBO valuation (Implied price from the spreadsheet): 64.62

### **Sensitivity Analysis**

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

72.14 if changing above normal growth period to 6 years  
71.31 if changing growth rate from mean (consensus) to the highest estimate 19  
59.35 if changing growth rate from mean (consensus) to the lowest estimate 8  
86.17 if changing discount rate to 7%  
64.62 if changing target ROE to 20%

-The fundamental valuation is not very favorable for Monsanto. I chose a 4 year abnormal growth rate because they are currently working on a number of new products and it will take some time for the company to see a return on these. The implied price comes out to be \$64.62 which is far below the current price and suggests that Monsanto is currently far overvalued. This is even lower than the 52 week low. By lowering the discount rate the implied price increases dramatically.

## Section (D) Relative Valuation

Copy/paste your completed relative valuation spreadsheet here

			Mean FY2								
			Earnings Estimate	Forward	Mean LT	PEG	P/B	ROE	Value	P/S	P/CF
Name	Mkt Cap	Current Price	(next fiscal year)	P/E	Growth Rate		(MRQ)	5 yr ave	Ratio	TTM	TTM
DuPont	\$ 44,841.54	\$ 49.04	\$ 4.41	11.12	6.07%	1.83	4.62	28.88%	0.16	1.27	10.69
Mosaic	\$ 25,179.12	\$ 59.14	\$ 5.03	11.76	7.14%	1.65	1.92	20.95%	0.09	2.51	10.63
Potash Corp	\$ 34,058.35	\$ 39.42	\$ 3.36	11.73	6.72%	1.75	3.44	33.68%	0.10	4.30	12.82
CF Industries	\$ 11,514.64	\$ 189.97	\$ 23.77	7.99	6.53%	1.22	2.03	31.48%	0.06	1.89	5.03
Monsanto	\$ 55,997.85	\$ 105.74	\$ 5.21	20.30	11.78%	1.72	4.56	17.41%	0.26	4.00	18.43
Implied Price based on:				P/E		PEG	P/B		Value	P/S	P/CF
DuPont				\$57.94		\$112.44	\$107.13		\$64.58	\$33.57	\$61.33
Mosaic				\$61.26		\$101.06	\$44.52		\$37.00	\$66.35	\$60.99
Potash Corp				\$61.12		\$107.15	\$79.77		\$41.23	\$113.67	\$73.55
CF Industries				\$41.64		\$75.11	\$47.07		\$26.03	\$49.96	\$28.86
High				\$61.26		\$112.44	\$107.13		\$64.58	\$113.67	\$73.55
Low				\$41.64		\$75.11	\$44.52		\$26.03	\$33.57	\$28.86
Median				\$59.53		\$104.11	\$63.42		\$39.12	\$58.16	\$61.16

### 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.

### 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?**

-In the relative valuation, the companies have fairly similar multiples. The one outlier is CF Industries. Its earnings estimate is way higher than all of the others and its P/CF ratio is significantly lower. For P/E, value and P/CF, the implied price is far below Monsanto's current price. PEG is really the only metric that makes Monsanto look good. Against DuPont the implied price is even above the 52 week high.

## 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 %
<b>SALES (in millions)</b>				
Quarter Ending Feb-13	5,270.65	5,472.00	201.35	3.82
Quarter Ending Nov-12	2,640.23	2,939.00	298.77	11.32
Quarter Ending Aug-12	2,251.91	2,110.00	141.91	6.30
Quarter Ending May-12	3,995.91	4,219.00	223.09	5.58
Quarter Ending Feb-12	4,530.20	4,748.00	217.80	4.81
<b>Earnings (per share)</b>				
Quarter Ending Feb-13	2.58	2.73	0.15	5.75
Quarter Ending Nov-12	0.37	0.62	0.25	67.98
Quarter Ending Aug-12	-0.42	-0.44	0.02	-3.95
Quarter Ending May-12	1.60	1.63	0.03	1.84
Quarter Ending Feb-12	2.12	2.28	0.16	7.77

-For sales, the company has a history of surprising the market. The actual numbers beat estimates every quarter except for the quarter ending Aug-12. Earnings also beat estimates every quarter except for August 2012. The biggest surprise came in the second quarter of 2012 when earnings outperformed estimates by 67.98%.

**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?

<b>CONSENSUS ESTIMATES ANALYSIS</b>					
Sales and Profit Figures in US Dollar (USD)					
Earnings and Dividend Figures in US Dollar (USD)					
	# of Estimates	Mean	High	Low	1 Year Ago
<b>SALES (in millions)</b>					
Quarter Ending May-13	15	4,488.37	4,790.00	4,120.72	4,024.54
Quarter Ending Aug-13	15	2,253.35	2,532.00	2,067.66	2,351.57
Year Ending Aug-13	20	14,940.90	15,500.00	13,997.00	13,809.20
Year Ending Aug-14	20	15,956.90	17,006.00	14,815.30	14,675.80
<b>Earnings (per share)</b>					
Quarter Ending May-13	19	1.73	1.92	1.55	1.41
Quarter Ending Aug-13	19	-0.34	-0.14	-0.56	-0.03
Year Ending Aug-13	24	4.58	5.00	4.40	4.07
Year Ending Aug-14	24	5.21	5.75	4.63	4.62
LT Growth Rate (%)	5	11.78	14.50	8.00	11.25

	Q May-13	Q Aug-13	Y Aug-13	Y Aug-14	Q May-13	Q Aug-13	Y Aug-13	Y Aug-14
% Between High & Mean	6.3	11.1	3.7	6.2	10	58.9	9.4	9.3
% Between Low & Mean	9.2	9.3	6.4	7.2	10.4	39.3	4	11.2

**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?

<b>CONSENSUS ESTIMATES TREND</b>					
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
<b>SALES (in millions)</b>					
Quarter Ending May-13	4,488.37	4,464.00	4,483.36	4,483.36	4,024.54
Quarter Ending Aug-13	2,253.35	2,240.92	2,257.21	2,257.21	2,351.57
Year Ending Aug-13	14,940.90	14,899.50	14,923.90	14,945.10	13,809.20
Year Ending Aug-14	15,956.90	15,885.50	15,930.10	15,992.50	14,675.80
<b>Earnings (per share)</b>					
Quarter Ending May-13	1.73	1.73	1.74	1.74	1.41
Quarter Ending Aug-13	-0.34	-0.33	-0.33	-0.33	-0.03
Quarter Ending Aug-13	4.58	4.57	4.58	4.57	4.07
Quarter Ending Aug-14	5.21	5.18	5.17	5.20	4.62

-For sales and earnings the estimates have been trending up for all categories except for the quarter ending Aug 2013.

**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				
	Last Week		Last 4 Weeks	
Number Of Revisions:	Up	Down	Up	Down
<b>Revenue</b>				
Quarter Ending May-13	1	1	1	2
Quarter Ending Aug-13	0	3	0	4
Year Ending Aug-13	2	1	2	2
Year Ending Aug-14	3	0	6	1
<b>Earnings</b>				
Quarter Ending May-13	1	2	1	3
Quarter Ending Aug-13	0	3	1	3
Year Ending Aug-13	0	0	2	0
Year Ending Aug-14	2	0	7	0

-Analyst revisions have been rather sporadic and kind of all over the board with no real pattern. Last week and the last 4 weeks both have many up revisions but also many down 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?

-Morningstar analysts seem slightly bullish about this stock. Monsanto recently released better than expected Q2 results showing very strong performance. This caused Morningstar analysts to raise their fair value estimate of the stock by nearly \$4.

## 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	8	9	9	10
(2) OUTPERFORM	9	8	8	8
(3) HOLD	4	4	6	5
(4) UNDERPERFORM	0	0	0	0
(5) SELL	1	1	1	1
No Opinion	0	0	0	0
Mean Rating	1.95	1.91	2.00	1.92

Revision Date	Upgrade or Downgrade	Current Recommendation	Previous Recommendation	Firm	Last Revision
2/18/13	Downgrade	Underperform	Hold	Atlanequ	1 year ago

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.

-Analysts gave Monsanto a mean rating of 1.95 which is a bullish signal. The mean rating has bounced around a bit over the past 3 months but has stayed in the range between 1.9 and 2. The fact that there was a downgrade on 2/18/13 is a very bearish signal but this was before Monsanto's stellar recent earnings were released.

## Section (G) Institutional Ownership

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

MON					
Ownership Activity	# of Holders	% Beg. Holders	Shares	% Shares	
Shares Outstanding			535,829,714	100.00%	
# of Holders/Tot Shares Held	1,169	100.34%	463,278,371	86.46%	
# New Positions	8	0.69%			
# Closed Positions	4	0.34%			
# Increased Positions	31	2.66%			
# Decreased Positions	26	2.23%			
Beg. Total Inst. Positions	1,165	100.00%	463,289,063	86.46%	
# Net Buyers/3 Mo. Net Chg	5	54.39%	-10,692	0.00%	
Ownership Information	% Outstanding				
Top 10 Institutions % Ownership	30.00%				
Mutual Fund % Ownership	1.03%				
Float %	98.98%				
> 5% Ownership					
Holder Name	% Outstanding	Report Date			
Fidelity Management & Research Comp	5.8	12/31/2012			
The Vanguard Group, Inc.	5.2	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.



-The number of new positions is growing at a faster rate than the number of closed positions and the number of increased positions is also growing at a faster rate than the number of closed. Both of these can be taken as bullish signals.

## **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.

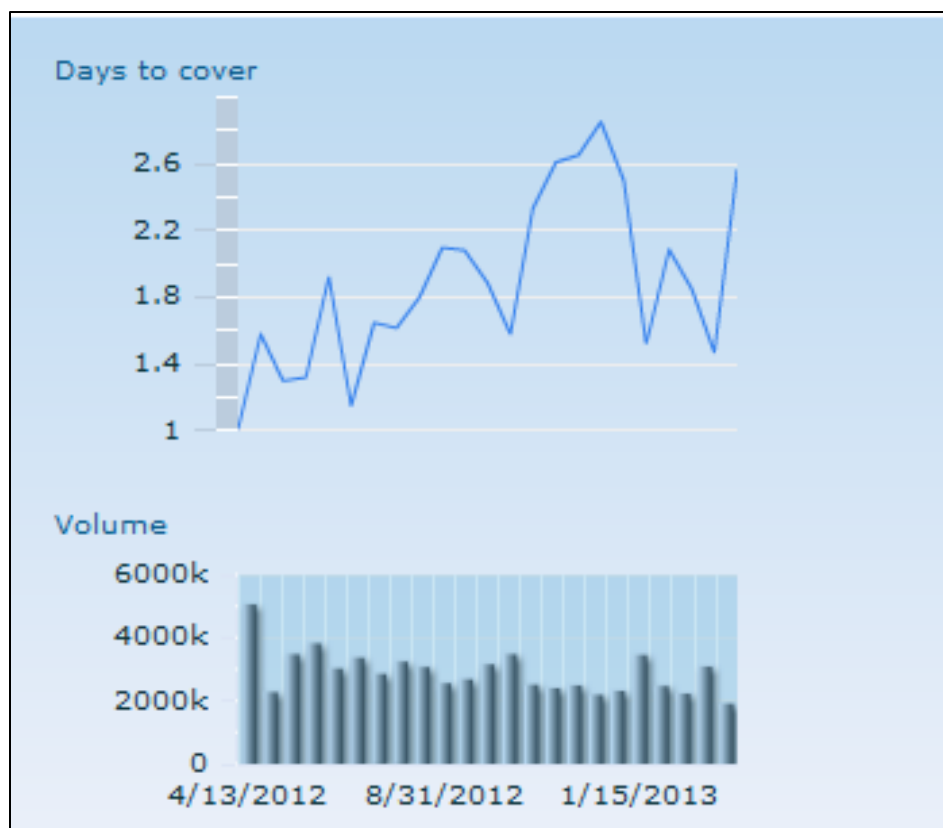
**Copy/paste or type the information from "short interest" table. You will start from the most recent release date, and go back for a year (some stocks may not have data go back for a year)**

**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.

<b>Settlement Date</b>	<b>Short Interest</b>	<b>Average Daily Shares Volume</b>	<b># of Days to cover</b>
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Settlement Date	Short Interest	Avg Daily Share Volume	Days To Cover
3/15/2013	4,914,306	1,912,941	2.568979
2/28/2013	4,528,711	3,085,799	1.467598
2/15/2013	4,115,849	2,229,721	1.845903
1/31/2013	5,153,859	2,471,913	2.084968
1/15/2013	5,248,507	3,457,623	1.517952
12/31/2012	5,782,579	2,313,840	2.499127
12/14/2012	6,237,421	2,187,062	2.851964
11/30/2012	6,617,236	2,492,196	2.655183
11/15/2012	6,261,517	2,400,709	2.608195
10/31/2012	5,826,209	2,499,684	2.330778
10/15/2012	5,478,264	3,475,996	1.576027
9/28/2012	5,921,531	3,141,218	1.885107
9/14/2012	5,568,501	2,673,005	2.083236
8/31/2012	5,331,715	2,543,246	2.096421
8/15/2012	5,511,239	3,070,125	1.795119
7/31/2012	5,208,596	3,224,919	1.615109
7/13/2012	4,673,477	2,839,168	1.646073
6/29/2012	3,855,193	3,367,262	1.144904
6/15/2012	5,808,005	3,021,063	1.922504
5/31/2012	5,024,591	3,818,777	1.315759
5/15/2012	4,490,560	3,465,058	1.295955
4/30/2012	3,586,956	2,277,109	1.575224
4/13/2012	3,447,930	5,053,226	1.000000



(DuPont)

Settlement Date	Short Interest	Avg Daily Share Volume	Days To Cover
3/15/2013	34,684,203	5,080,606	6.826785
2/28/2013	36,963,863	6,238,631	5.924996
2/15/2013	23,377,362	6,073,833	3.848865
1/31/2013	23,726,560	6,527,561	3.634828
1/15/2013	23,534,599	5,347,207	4.401288
12/31/2012	23,890,582	5,987,989	3.989750
12/14/2012	22,307,367	5,768,560	3.867060
11/30/2012	23,566,849	6,070,672	3.882082
11/15/2012	25,377,793	6,418,431	3.953894
10/31/2012	26,136,164	9,197,724	2.841590
10/15/2012	27,884,821	4,445,248	6.272951
9/28/2012	26,490,187	5,382,362	4.921666
9/14/2012	27,079,185	5,811,969	4.659210
8/31/2012	27,262,045	3,254,442	8.376872
8/15/2012	26,610,410	4,387,288	6.065344
7/31/2012	24,425,638	5,165,215	4.728871
7/13/2012	25,026,387	6,105,256	4.099154
6/29/2012	22,363,667	4,104,605	5.448433
6/15/2012	23,285,164	4,728,240	4.924700
5/31/2012	18,342,893	5,646,300	3.248657
5/15/2012	14,828,045	4,026,381	3.682723
4/30/2012	14,533,663	5,470,554	2.656708
4/13/2012	15,100,639	4,964,358	3.041811

(Mosaic)

Settlement Date	Short Interest	Avg Daily Share Volume	Days To Cover
3/15/2013	7,009,845	3,278,812	2.137922
2/28/2013	7,463,525	3,803,192	1.962437
2/15/2013	7,121,183	2,153,237	3.307199
1/31/2013	7,457,505	3,025,080	2.465226
1/15/2013	7,543,119	4,037,826	1.868114
12/31/2012	6,264,149	2,166,382	2.891526
12/14/2012	6,049,821	2,719,943	2.224246
11/30/2012	5,570,185	2,744,888	2.029294
11/15/2012	5,303,802	3,048,386	1.739872
10/31/2012	4,965,462	2,898,202	1.713291
10/15/2012	5,917,507	4,369,817	1.354177
9/28/2012	5,822,231	4,010,038	1.451914
9/14/2012	7,158,749	4,692,138	1.525690
8/31/2012	6,245,852	3,007,801	2.076551
8/15/2012	6,844,026	2,782,115	2.460008
7/31/2012	5,666,750	4,991,683	1.135238
7/13/2012	7,134,259	4,066,283	1.754492
6/29/2012	7,353,437	5,206,779	1.412281
6/15/2012	8,696,443	3,823,068	2.274729
5/31/2012	8,784,050	3,619,117	2.427125
5/15/2012	7,708,358	3,569,585	2.159455
4/30/2012	5,755,721	3,660,057	1.572577
4/13/2012	5,019,082	5,567,182	1.000000

-Monsanto has a much lower short interest than its two main competitors DuPont and Mosaic. Although days to cover has slightly risen as of late, it is still significantly lower than DuPont's.

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

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

<b>Avg Vol (3 month)</b>	<b>Avg Vol (10 day)</b>	<b>Shares Outstanding</b>	<b>Float</b>
2,634,840	3,591,090	535.81M	534.30M
<b>Shares Short (Most recent date)</b>	<b>Short Ratio (Most recent date)</b>	<b>Short % of Float (Most recent date)</b>	<b>Shares Short (2 weeks prior)</b>
4.91M	2.00	0.90%	4.53M

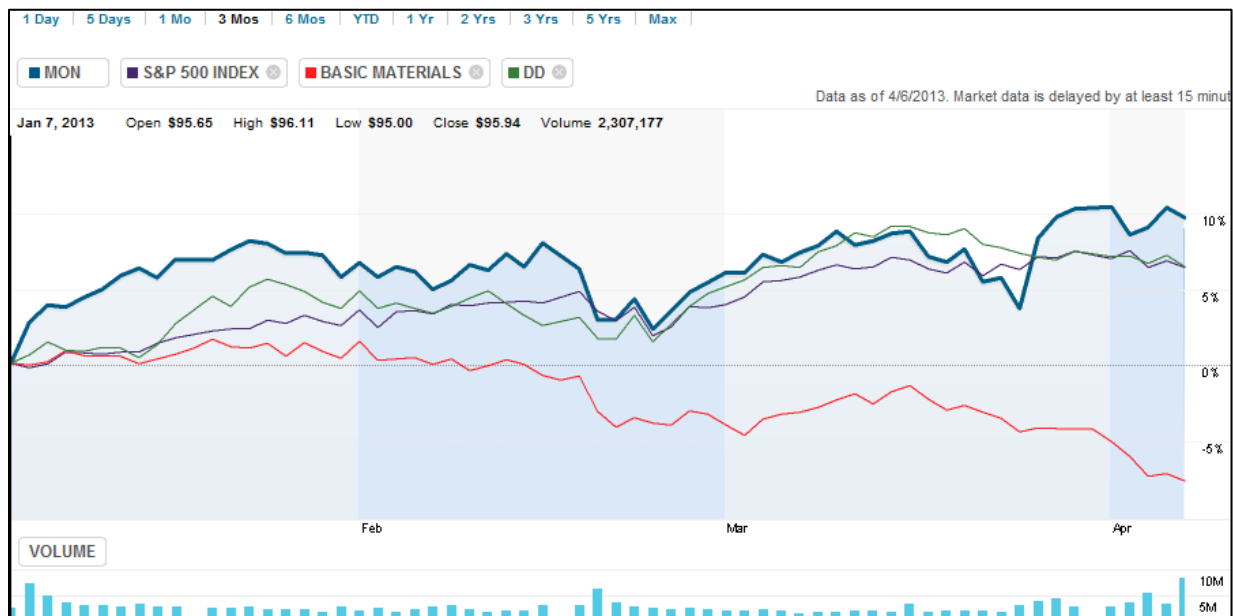
Based on the short interest statistics and its recent trend, how is the market sentiment on the stock? Has the sentiment turned more bullish or bearish over the last year? How about in more recent month and why?

-Over the past year short interest and days to cover have both slightly risen which suggests a slightly bearish sentiment.

## Section (I) Stock Charts

### A three months price chart

Copy/paste the “3 Mos.” stock chart here



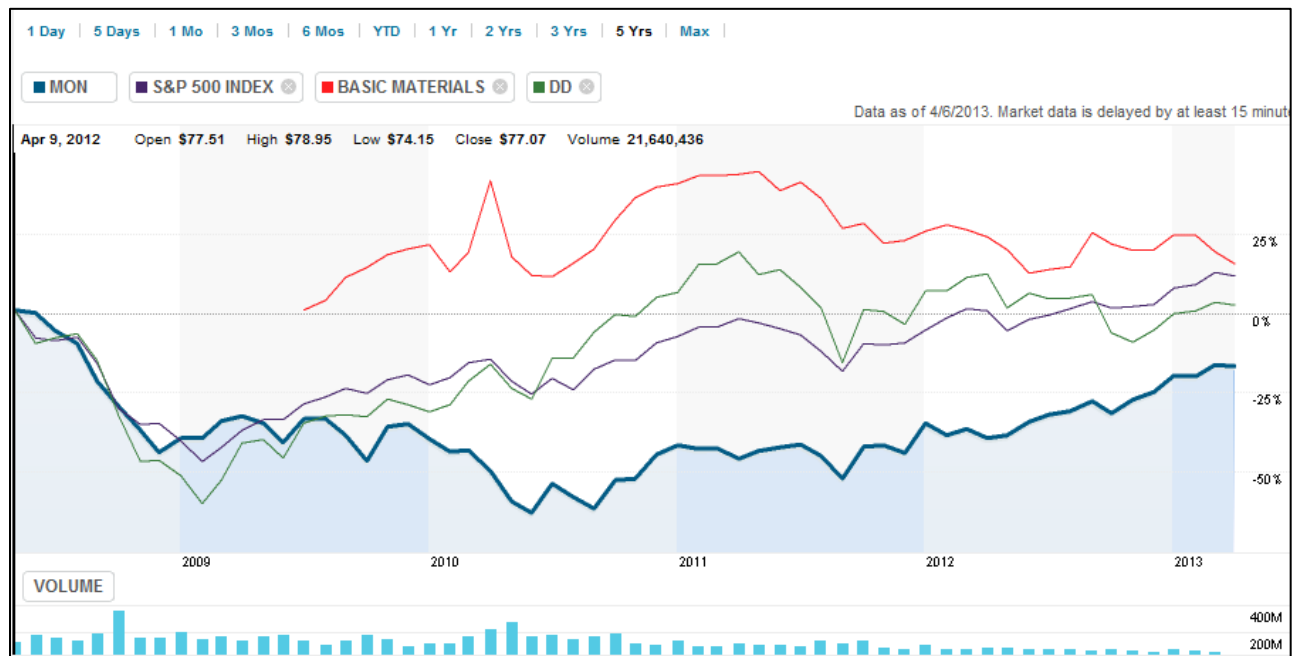
### A one year price chart

Copy/paste the “1 Yr” stock chart here



### A five year price chart

Copy/paste the “5 Yrs.” stock chart here



### Additional price chart

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

-The 3 month stock chart looks good for Monsanto. They outperformed the S&P 500 and highly outperformed the materials sector. The 1 year stock chart is also extremely bullish. Over the past year Monsanto has far outperformed the sector, the market and their competitor DuPont. The 5 year stock price chart shows that Monsanto suffered heavily from the financial crisis and has been on the slow side recovering. They are gradually making their way back up though. Both of the moving average charts show that Monsanto death crossed once but quickly golden crossed back and has stayed in the positive ever since then.

**Sources:**

-finance.yahoo.com

-Reuters

-money.msn.com

-nasdaq.com

-Monsanto's 10k report