

# CIF Sector Update Report (Spring 2015)

Sector: Technology (XLK)

Analysts: Brady Arnone, ChangJun Lee

Presentation Date: 4/29/2015

Review Period: Start: 1/12/2015 End: 4/23/2015

**\*\*Refer to Sector Update Report Guidelines for Definition of Review Period\*\***

## Section (A) Sector Performance Review

(A-1) Sector Performance Relative to SP500

Copy/paste "*Sector Performance Review Spreadsheet*" (the entire spreadsheet) [here](#)

Cougar Investment Fund Sector Performance Review Spreadsheet Template												
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 "Sector Update Guidelines" document carefully												
Sector	XLK											
Review Period												
Start Date	1/12/2015											
End Date	4/23/2015											
Ticker	Recommend	CIF	Current	Beg.	Stop-loss	Target	Capital	Shares	Current	Perf. Vs.	Perf. Vs.	
	Date	Y/N	Price	Price	Price	Price	Gain	Held	Value	ETF	SP500	
S&P 500	\$INX		2112.93	2044.81			3.33%					
Sector ETF	XLK		\$42.76	\$41.25			3.66%	590	\$25,228.40		0.33%	
Current Holdings												
IBM	Stock1	3/2/2015	Y	\$170.24	\$159.11	\$137.62	\$186.23	7.00%	130	\$22,131.20	3.33%	3.66%
SWKS	Stock2	3/30/2015	Y	95.82	74.08	84	135	29.35%	100	\$9,582.00	25.69%	26.02%

Copy/paste price chart (from <http://finance.yahoo.com/> or <http://www.google.com/finance>) of both sector ETF and SP500 for the review period here.

Technology Select Sector SPDR ETF (XLK) ★ Watchlist

**43.25** +0.12(+0.28%) NYSEArca - As of 4:00PM EDT

After Hours: 43.42 ↑+0.17 (0.39%) 7:58PM EDT



**How did the sector perform relative to the broad market (SP500) during the review period?**

**What might have caused the out-/under-performance of the sector in relation to the broad market? You should weigh in macro, sector/industry, and company-specific factors that might have contributed to sector's out-/under-performance**

The XLK has been following the market pretty well, but it outperformed S&P 500 most of the time. Technology sector was able to outperform S&P 500 index, because it has less effect from energy prices and strong dollars compare to other sectors.

**What are some of the noteworthy news/events from the sector during the review period?**

**These news/events can be either specific to the company or relevant to the industry/sector**

- Technology stocks in S&P 500 rose by 1% on April 24 2015.
- Strong dollars
- Big technology companies Earning report with positive numbers.

## (A-2) Big Sector Movers

Identify two largest sector gainers and two largest sector losers (exclude stocks recommended in this class) of the recent 3 month. Copy/paste 3 month price chart with the four stocks *here*.

<Two largest sector gainers>

### First Solar Inc.-FSLR (49.11%)

First Solar, Inc. (FSLR) ★ Watchlist  
**62.92** -0.51 (-0.81%) NASDAQ - As of 4:00PM EDT  
After Hours: **62.93** ↑+0.015 (0.02%) 7:42PM EDT



## Akamai Technologies Inc-AKAM (24.12%)

Akamai Technologies, Inc. (AKAM) ★ Watchlist  
**77.04** +1.30(+1.72%) NASDAQ - As of 4:00PM EDT  
 After Hours: 77.71 ↑+0.67 (0.87%) 7:57PM EDT

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### <Two largest sector losers>

## Hewlett Packard Co –HPQ (-17.02%)

Hewlett-Packard Company (HPQ) ★ Watchlist  
**33.07** -0.19(-0.57%) NYSE - As of 4:01PM EDT  
 After Hours: 33.07 0.00 (0.00%) 6:55PM EDT

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## SanDisk Corp-SNDK (-14.76%)

SanDisk Corp. (SNDK) ★ Watchlist  
**67.67** **-0.25 (-0.37%)** NASDAQ - As of 4:00PM EDT  
 After Hours: **67.65** **↓-0.02 (0.03%)** 6:30PM EDT



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

First Solar Inc.: On February 10, 2015, there was a contract between Apple and First Solar which worth over \$848M worth. This was the industry’s largest commercial power deal.

Akamai Technologies Inc.: Due to high profile hacking incidents in industry, demands for security has increased.

Hewlett Packard Co.: Their major reason of price is fail to meet analysts’ expectation and increased in competition.

SanDisk Corp.: Their major reason of price decline is fail to meet analysts’ expectations and increased in competition.

**(A-3) Two Largest Stocks in the Sector**

**Identify two stocks with the largest weight (exclude stocks recommended in this class) in the sector ETF. Copy/paste 3 month price chart with the two stocks, sector ETF and SP500 here.**

**Apple**

Apple Inc. (AAPL) ★ Watchlist

**132.65** **+2.37(+1.82%)** NASDAQ - As of 4:00PM EDT

After Hours: **134.42** **↑+1.77 (1.33%)** 7:59PM EDT

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## Microsoft

Microsoft Corporation (MSFT) ★ Watchlist

**48.03** **+0.16(+0.33%)** NASDAQ - As of 4:00PM EDT

After Hours: **47.99** **↓-0.04 (0.08%)** 7:59PM EDT

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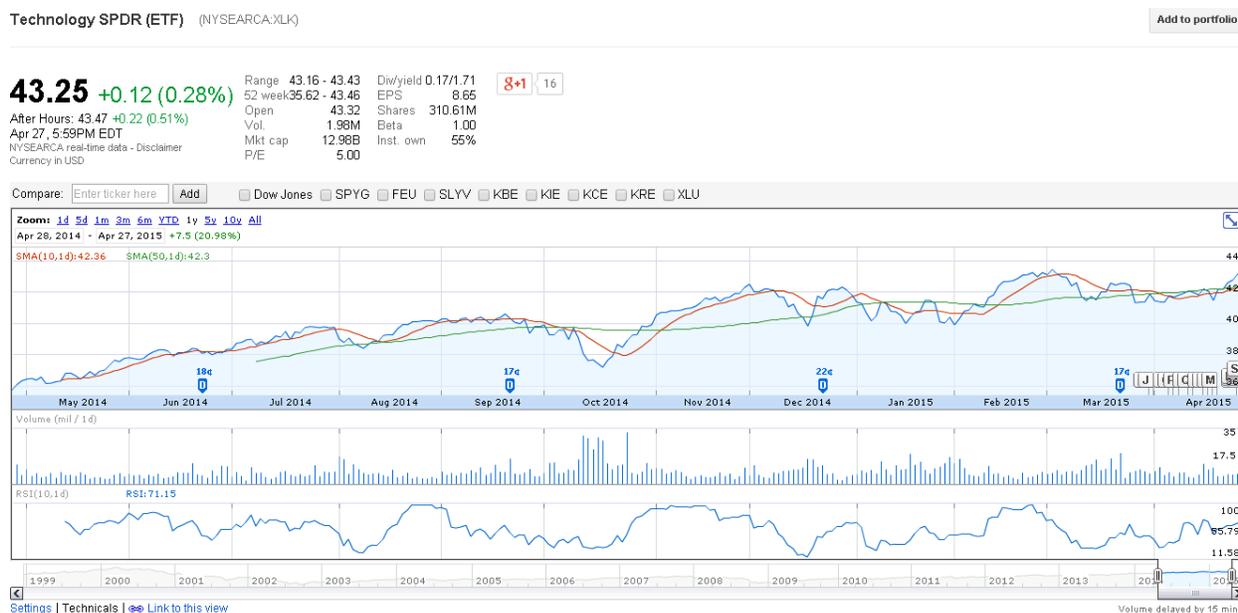
Highlight noteworthy news, announcements, or events relevant to the two stocks that took place in recent 3 months.

- Apple's recent Earning report
- Microsoft's recent Earning report

(A-4) Technical Indicators of the Sector ETF ("Moving Average" and "Relative Strength Index" from <https://www.google.com/finance?tab=we>)

### Short-term moving average and relative strength index indicators

Follow instructions in the guidelines to generate price chart. Copy/Paste to the report



**RSI:71.15**

### Long-term moving average and relative strength index indicators

Follow instructions in the guidelines to generate price chart. Copy/Paste to the report

**43.25** +0.12 (0.28%)  
 Range 43.16 - 43.43 Div/yield 0.17/1.71  
 52 week 35.62 - 43.46 EPS 8.65 **8+1** 16  
 Open 43.32 Shares 310.61M  
 Vol. 1.98M Beta 1.00  
 Mkt cap 12.98B Inst. own 55%  
 P/E 5.00



**RSI:53.31**

**Any golden or death cross on either set of moving average chart? Any “oversold” or “overbought” signal from RSI? Do these technical indicators signal bullish or bearish sentiment on the sector?**

By looking at short term technical indicator, there were golden cross on August 2014, November 2014, and February 2015. Death cross were on October 2014, January 2015, April 2015. In long term technical indicator, there were one golden cross on year 2010 and death cross on 2009. Indicator signals bullish sentiment on the sector.

#### **(A-5) Short-term (up to Three Months) Outlook of the Sector**

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

As big companies reveal their earnings report with positive numbers, we believe that technology sector will keep outperform S&P 500 index for a while. Also, even with coming strong dollars, technology sector will relatively perform well compare to other sectors.

## Section (B) Updates on Stocks recommended

<b>Stock #1: <u>Skyworks Solutions (SWKS)</u></b>
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**Date Recommended: 3/30/2015**

**Date Re-evaluated: 4/29/2015**

### **(B-1) Company Updates and Stock Performance**

#### **Company Update**

Skyworks Solutions over performed the Technology sector by 7.47% and the S&P 500 by 10.21%. Throughout review period, Skyworks Solutions has been following the market pretty well with better numbers. On April 24 2015, due to mixed earnings, Skyworks Solutions dropped a lot. However, as Apple announces their report successfully on 4/27/2015, we are hoping to see Skyworks go up.

#### **3- Month Stock Price Chart**

**Copy/paste 3-month stock price chart of Stock #1 here. Include in the chart sector ETF as "compare" and SP500 as "index". Comment on performance of Stock #1 relative to sector ETF and SP500.**

Skyworks Solutions Inc. (SWKS) ★ Watchlist  
**94.55 +1.17(+1.25%)** NASDAQ - As of 4:00PM EDT  
 After Hours: **95.77 ↑+1.22 (1.29%)** 7:59PM EDT



In February, Skyworks Solutions underperformed both the XLK and S&P500 index. After that period, Skyworks Solutions has been outperformed both the XLK and S&P500 index with huge differences.

## (B-2) Valuations, Estimates and Recommendations

### Valuations

#### Original Analysis (3/30/2015)

Copy/paste P/E (TTM), P/S (TTM), P/B (MRQ), P/CF (TTM) of Stock #1, industry, and sector from the original stock report, “ratio analysis” section (Module A) (on Angel)

Ratio Analysis	Company	Industry	Sector
P/E (TTM)	34.22	17.82	20.70
P/S (TTM)	7.28	40.00	7.22
P/B (MRQ)	6.96	2.16	2.56
P/CF (TTM)	27.02	384.82	94.19

#### Re-evaluation Analysis

Copy/paste the requested valuation multiples from <http://www.reuters.com/>, “Financials” tab; also copy/paste forward P/E (from Reuters as well) here.

	Company	industry	sector
P/E Ratio (TTM)	32.34	17.40	21.55
Price to Sales (TTM)	6.88	39.08	7.10
Price to Book (MRQ)	6.57	2.13	2.74
Price to Cash Flow (TTM)	25.56	385.44	93.31

### Forward P/E: 17.84

### Comment on the changes; comment also how current forward P/E differs from current P/E (TTM)

After re-evaluating the valuation ratios, we noticed that all four ratios had went down by little. Most notably, P/E ratio has dropped to 32.34 from 34.22(1.88 differences) and P/CF has dropped to 25.56 from 27.02(1.46 differences.) Industry and sector did not change much. Skyworks's P/E ratio is 32.34 while the forward P/E ratio is 17.84 this shows that earnings are expected to increase in next quarters.

### Consensus Estimates

#### Original Analysis (3/30/2015)

Copy/paste "*Consensus Estimates Analysis*" Table (Module E3) from the original stock report

#### CONSENSUS ESTIMATES ANALYSIS

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 Mar-15	18	751.28	760.00	750.00	515.36
Quarter Ending Jun-15	18	779.92	791.30	757.00	535.90
Year Ending Sep-15	20	3,179.65	3,246.00	3,145.00	2,167.90
Year Ending Sep-16	20	3,525.18	3,845.00	3,300.00	595.20
<b>Earnings (per share)</b>					
Quarter Ending Mar-15	19	1.12	1.14	1.12	0.66
Quarter Ending Jun-15	19	1.19	1.26	1.14	0.70
Year Ending Sep-15	20	4.00	5.19	4.80	2.90
Year Ending Sep-16	20	5.54	6.14	5.18	0.77
LT Growth Rate (%)	5	20.62	26.40	12.00	16.23

### Re-Evaluation Analysis

Copy/paste the “Consensus Estimates Analysis” Table from <http://www.reuters.com/>,  
 “Analysts” tab (include both revenue and earnings)  
 CONSENSUS ESTIMATES ANALYSIS

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 6월-15	18	781.81	791.30	772.83	571.26
Quarter Ending 9월-15	17	843.82	873.60	812.50	613.94
Year Ending 9월-15	20	3,184.82	3,246.00	3,145.00	2,316.81
Year Ending 9월-16	20	3,537.74	3,845.00	3,300.00	1,571.60
<b>Earnings (per share)</b>					
Quarter Ending 6월-15	19	1.19	1.28	1.16	0.77
Quarter Ending 9월-15	19	1.32	1.44	1.24	0.85
Year Ending 9월-15	20	4.91	5.19	4.80	3.16
Year Ending 9월-16	20	5.57	6.14	5.19	2.16
LT Growth Rate (%)	4	19.40	26.40	12.00	16.87

### Comment on the changes

By comparing original analysis to re-evaluated ones, we noticed that estimates for sales and earnings are similar. Sales and Earnings estimates has increased by little bit compare to original analysis. Also, Number of analysts in next year analysis and Long term growth rate has dropped down to 17 and 4 from 20 and 5.

### Estimate Revision Analysis

#### Original Analysis (3/30/2015)

Copy/paste “Estimates Revision Summary” Table (Module E4) from the original stock recommendation report

**ESTIMATES REVISIONS SUMMARY**

Number Of Revisions:	Last Week		Last 4 Weeks	
	Up	Down	Up	Down
<b>Revenue</b>				
Quarter Ending Mar-15	0	0	1	0
Quarter Ending Jun-15	0	0	2	0
Year Ending Sep-15	0	0	3	0
Year Ending Sep-16	0	0	3	0
<b>Earnings</b>				
Quarter Ending Mar-15	0	0	1	0
Quarter Ending Jun-15	0	0	2	0
Year Ending Sep-15	0	0	3	0
Year Ending Sep-16	0	0	3	0

**Re-Evaluation Analysis**

Copy/paste the “*Estimates Revisions Summary*” Table from <http://www.reuters.com/>, “*Analysts*” tab (include both revenue and earnings)

**ESTIMATES REVISIONS SUMMARY**

Number Of Revisions:	Last Week		Last 4 Weeks	
	Up	Down	Up	Down
<b>Revenue</b>				
Quarter Ending 6월-15	0	0	2	0
Quarter Ending 9월-15	0	0	2	0
Year Ending 9월-15	1	0	4	0
Year Ending 9월-16	0	0	3	0
<b>Earnings</b>				
Quarter Ending 6월-15	0	0	2	0
Quarter Ending 9월-15	0	0	3	0
Year Ending 9월-15	1	0	4	0
Year Ending 9월-16	0	0	3	0

### Comment on the changes

There have been several positive revisions for both revenue and earnings. Last week, there was one upgrade for year ending Sep-15. By looking at last 4 weeks section, we can see that at least 1 or 2 upgrades has been occurred in all of sections.

### Analysts' Recommendations

#### Original Analysis (3/30/2015)

Copy/paste "*Analyst Recommendations and Revisions*" Table (Module F1) from the original stock recommendation report

#### ANALYST RECOMMENDATIONS AND REVISIONS

1-5 Linear Scale	Current	1 Month Ago	2 Month Ago	3 Month Ago
(1) BUY	8	8	9	9
(2) OUTPERFORM	10	11	10	10
(3) HOLD	2	2	2	2
(4) UNDERPERFORM	0	0	0	0
(5) SELL	0	0	0	0
No Opinion	0	0	0	0
Mean Rating	1.70	1.71	1.67	1.67

### Re-Evaluation Analysis

Copy/paste the "*Analyst Recommendations and Revisions*" Table from <http://www.reuters.com/>, "*Analysts*" tab

## ANALYST RECOMMENDATIONS AND REVISIONS

1-5 Linear Scale	Current	1 Month Ago	2 Month Ago	3 Month Ago
(1) BUY	7	8	8	8
(2) OUTPERFORM	9	10	11	11
(3) HOLD	3	2	2	2
(4) UNDERPERFORM	0	0	0	0
(5) SELL	0	0	0	0
No Opinion	0	0	0	0
Mean Rating	1.79	1.70	1.71	1.71

### Comment on the changes

Analyst recommendation and revisions show that analyst are becoming more bearish. Number of BUY analysts have dropped to 7 from 8, OUTPERFORM has dropped to 9 from 10, and HOLD has increased to 3 from 2. The average mean rating has changed to 1.79 from 1.70

### (B-3) Technical Indicators (Module I4 from stock research report)

**\*\*\* Note: see Sector Update Report Guidelines for instructions \*\*\***

#### Short-term technical indicators

Copy/paste 10- & 50-day moving average (MA) technical analysis chart with relative strength index (RSI) as the bottom panel

**94.55 +1.17 (1.25%)** Range 93.55 - 96.22 Div/yield 0.13/0.55 **8+1** 64  
 52 week 39.95 - 102.77 EPS 2.89  
 Open 93.81 Shares 190.82M  
 Vol / Avg 3.83M/4.18M Beta 1.22  
 Mkt cap 17.85B Inst. own 77%  
 P/E 32.74  
 After Hours: 95.77 +1.22 (1.29%)  
 Apr 27, 7:59PM EDT  
 NASDAQ real-time data - Disclaimer  
 Currency in USD



**RSI: 34.06**  
**Long-term technical indicators**

**Copy/paste 50- & 200-day moving average (MA) technical analysis chart with relative strength index (RSI) as the bottom panel**

Skyworks Solutions Inc (NASDAQ:SWKS) Add to portfolio

**94.55 +1.17 (1.25%)** Range 93.55 - 96.22 Div/yield 0.13/0.55 **8+1** 64  
 52 week 39.95 - 102.77 EPS 2.89  
 Open 93.81 Shares 190.82M  
 Vol / Avg 3.83M/4.18M Beta 1.22  
 Mkt cap 17.85B Inst. own 77%  
 P/E 32.74  
 After Hours: 95.77 +1.22 (1.29%)  
 Apr 27, 7:59PM EDT  
 NASDAQ real-time data - Disclaimer  
 Currency in USD



**RSI: 66.42**

**Any golden or death cross on either set of moving average chart? Any “oversold” or “overbought” signal from RSI? How have the two sets of technical charts changed from the ones in the original report? Are findings from technical analysis supportive of your other findings?**

From the short term technical indicators, there was golden cross on November 2014 and death cross on mid October 2014. By looking at the long term technical indicator, there was a golden cross on year 2008. By comparing to original indicator, there were not much difference and both data shows that it is bullish. RSI has decreased from 86.06 to 66.42 which signals that it is relatively oversold and getting undervalued compare to original analysis, but 66.42 is still a high number.

## Section (B) Updates on Stocks recommended

### Stock #1: IBM

Date Recommended: 03/02/2015

Date Re-evaluated: 04/29/2015

#### (B-1) Company Updates and Stock Performance

##### Company Update

IBM reported first quarter earnings a week ago on April 20<sup>th</sup>. IBM reported Q1 EPS at \$2.91, which beat analyst estimates of \$2.80. IBM is up 9% from last year and delivered \$19.6 billion of revenue and \$2.9 billion of operating net income. IBM's revenues were in line with analysts' estimates reporting a 12% decline from a year earlier. IBM's revenue was flattened this year with the strong currency headwinds with 2/3 of IBM's revenue coming outside of the United States. Cloud revenue reported in Q1 was up 75 percent from a year ago. IBM's cloud revenue can be attributed to having a good Q1 report because of the demonstrated high growth in the highly coveted cloud system. IBM's shares were up 3.5 % on the day earnings was released and has continued to go up marking a 5.5% increase in price over the last week.

#### 3- Month Stock Price Chart



In February, the XLK outperformed both IBM and the S&P 500 index. In mid March, IBM surpassed the XLK and has increased its margin above both the XLK and S&P index. IBM has dominated the sector ETF and S&P index of recently and has had similar patterns with the sector ETF and index since April.

## (B-2) Valuations, Estimates and Recommendations

### Original Analysis: (03/02/2015)

<u>Ratio Analysis</u>	<u>Company</u>	<u>Industry</u>	<u>Sector</u>
P/E (TTM)	10.34	23.11	19.66
P/S (TTM)	1.73	4.36	7.45
P/B (MRQ)	13.58	6.38	2.61
P/CF (TTM)	7.69	18.84	96.09

### Re-evaluation Analysis

	<b>Company</b>	<b>industry</b>	<b>sector</b>
P/E Ratio (TTM)	10.78	22.95	21.55
Price to Sales (TTM)	1.86	3.77	7.10
Price to Book (MRQ)	13.85	5.89	2.74
Price to Cash Flow (TTM)	10.13	18.25	93.31

**Forward P/E: 9.65**

After re-evaluating the valuation ratios, we noticed that not much has changed. All of the ratios are very similar to the original analysis back on March 2. The only change worth noting is that the P/CF has increased by about 2.5. This indicates that IBM is trading at a slightly higher price now, which is closer to the industry average.

## Consensus Estimates

### Original Analysis: (03/02/2015)

	# of Estimates	Mean	High	Low	1 Year Ago
<b>SALES (in millions)</b>					
Quarter Ending Mar-15	19	19,905.50	20,614.00	19,498.00	23,186.80
Quarter Ending Jun-15	19	21,542.40	22,192.00	21,015.00	24,922.30
Year Ending Dec-15	22	85,514.90	88,809.00	83,970.00	100,662.00
Year Ending Dec-16	21	85,096.80	88,689.00	82,923.00	102,749.00
<b>Earnings (per share)</b>					
Quarter Ending Mar-15	20	2.86	3.20	2.59	3.68
Quarter Ending Jun-15	20	4.00	4.25	3.78	4.69
Year Ending Dec-15	24	16.01	16.35	15.73	19.88
Year Ending Dec-16	22	16.79	18.71	14.77	21.59
LT Growth Rate (%)	4	4.51	10.00	0.44	9.15

## Re-Evaluation Analysis

### CONSENSUS ESTIMATES ANALYSIS

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 Jun-15	16	20,938.50	21,601.00	20,617.70	24,379.20
Quarter Ending Sep-15	16	19,977.10	20,525.60	19,454.00	23,557.70
Year Ending Dec-15	20	83,573.80	85,623.00	82,274.00	98,583.40
Year Ending Dec-16	19	83,111.80	85,236.80	80,811.00	101,033.00
<b>Earnings (per share)</b>					
Quarter Ending Jun-15	17	3.79	3.93	3.70	4.71
Quarter Ending Sep-15	17	3.70	3.94	3.42	4.69
Year Ending Dec-15	22	15.86	16.16	15.52	19.81
Year Ending Dec-16	21	16.38	17.30	14.66	21.51
LT Growth Rate (%)	3	4.48	10.00	0.44	8.91

After analyzing the original and current “consensus estimates analysis” we have concluded that the outlook for future earnings and sales is similar. However, the earnings per share estimate for next quarter has an average of 3.79 now versus the original average of 2.86. Analysts now think IBM is going to report a higher earnings number next quarter with the average EPS increasing by .93. The sales estimates numbers changed by no more than 200,000 give or take with next quarter increasing but next year decreasing. In each quarter or year ending, the estimates are relatively the same. The number of estimates for each EPS and sales numbers have only increased or decreased by most three estimates, which does not have much significance.

### **Estimate Revision Analysis**

#### **Original Analysis (03/02/2015)**

##### ESTIMATES REVISIONS SUMMARY

Number Of Revisions:	Last Week		Last 4 Weeks	
	Up	Down	Up	Down
<b>Revenue</b>				
Quarter Ending Mar-15	0	5	0	6
Quarter Ending Jun-15	0	4	0	6
Year Ending Dec-15	0	5	0	7
Year Ending Dec-16	0	4	1	5
<b>Earnings</b>				
Quarter Ending Mar-15	0	5	1	5
Quarter Ending Jun-15	1	3	2	3
Year Ending Dec-15	0	3	0	3
Year Ending Dec-16	0	3	1	3

## Re-Evaluation Analysis

### ESTIMATES REVISIONS SUMMARY

Number Of Revisions:	Last Week		Last 4 Weeks	
	Up	Down	Up	Down
<b>Revenue</b>				
Quarter Ending Jun-15	4	11	0	16
Quarter Ending Sep-15	5	10	1	15
Year Ending Dec-15	5	14	1	19
Year Ending Dec-16	6	13	1	18
<b>Earnings</b>				
Quarter Ending Jun-15	4	13	2	15
Quarter Ending Sep-15	6	8	7	9
Year Ending Dec-15	8	10	4	15
Year Ending Dec-16	8	9	4	17

There have been several revisions for both revenue and earnings that are not in favor of IBM. In the original estimates there were not many up or down revisions and there has been substantially more in the re-evaluation. Several more down revisions have taken place in the last four weeks in comparison to the original estimates. However, there are less down revisions and more up revisions from four weeks ago to last week. The revision patterns illustrate the bearish attitude for IBM but have recently made moves toward a more bullish outlook.

## Analysts' Recommendations

### Original Analysis (03/02/2015)

#### ANALYST RECOMMENDATIONS AND REVISIONS

1-5 Linear Scale	Current	1 Month Ago	2 Month Ago	3 Month Ago
(1) BUY	2	2	2	2
(2) OUTPERFORM	1	1	1	1
(3) HOLD	19	19	18	18
(4) UNDERPERFORM	2	2	2	2
(5) SELL	1	1	1	1
No Opinion	0	0	0	0
Mean Rating	2.96	2.96	2.96	2.96

### Re-Evaluation Analysis

#### ANALYST RECOMMENDATIONS AND REVISIONS

1-5 Linear Scale	Current	1 Month Ago	2 Month Ago	3 Month Ago
(1) BUY	2	2	2	2
(2) OUTPERFORM	1	1	1	1
(3) HOLD	15	17	18	18
(4) UNDERPERFORM	2	2	2	2
(5) SELL	2	2	1	1
No Opinion	0	0	0	0
Mean Rating	3.05	3.04	2.96	2.96

Analyst recommendations and revisions have become a little more bearish. The average mean rating increased to a 3.05, up .09 from the original evaluation. One more analyst revised IBM down to a "sell" but besides that the analyst recommendations remain nearly unaffected.

## (B-3) Technical Indicators (Module I4 from stock research report)

### Short-term technical indicators



### Long-term technical indicators

International Business Machines Corp. (NYSE:IBM)

Add to portfolio

**173.92** +3.19 (1.87%)

Apr 28 - Close  
NYSE real-time data - Disclaimer  
Currency in USD

Range 170.02 - 174.69  
52 week 149.52 - 196.86  
Open 170.83  
Vol / Avg. 5.20M/4.54M  
Mkt cap 168.53B  
P/E 11.04

Div/yield 1.10/2.53  
EPS 15.75  
Shares 990.52M  
Beta 0.63  
Inst. own 59%

8+1 449



There are several crosses in the short-term technical indicator while there is none in the long-term within the last year. There was a golden cross in July 2014, mid-August 2014, January 2015, and mid-February 2015. There were also death crosses in October 2014 and mid-March 2015. The RSI is at 70.72 and 62.52 indicating that IBM may be overbought and overvalued.

## Section (C) Update Stock Recommendations

### (C-1) Update on Stock(s) CIF Did Not Buy

CIF bought both of the stocks

### (C-2) Update on Stock(s) CIF Bought but No Longer Holds

CIF bought and still holds both stocks

### (C-3) Update on Stock(s) CIF Currently Holds

After doing our sector update we have two recommendations going forward. We recommend that we lower the target prices for both stocks. Since investing in IBM, the stock price has gone up 6.36% but we do not see it reaching the current target price of \$186.23. The same goes for SKWS. SKWS has been our only loser we have invested in down 4.5%. The current price is at \$94.55 and we do not see it hitting its target price at \$123.54. If the stocks reach our recommended adjusted target price we would profit almost \$1,900 on IBM and \$468 on SWKS. With the movement of the sector and performance these last two-month, we recommend a more feasible target price of \$175 for IBM and \$105 for SWKS.

Company Name	Ticker Symbol	Date Recommended	Date Re-evaluated	Recommendation				
				As Is	Adjust "Target Price"	Adjust "Stop-loss Price"	Adjust "Limit Buy Price"	Sell/ Do Not Buy
International Business Machines	IBM	3/2/2015	4/29/2015		\$175.00			

<b>Skyworks</b>	<b>SWKS</b>	<b>3/30/2015</b>	<b>4/29/2015</b>		<b>\$105.00</b>			
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