

## VALUATION SUMMARY

Stocks Undervalued	63.54%	Stocks Overvalued	36.46%
Stocks Undervalued by 20%	30.91%	Stocks Overvalued by 20%	14.37%

ValuEngine currently finds the markets attractive with the majority of stocks covered undervalued according to the research.

## INDEX OVERVIEW

Index	Date	Last Close	MTD	QTD	YTD
S&P 500	7/18/2019	2,995.11	1.81%	8.83%	19.48%
Dow 30	7/18/2019	27,222.97	2.34%	9.70%	16.70%
Nasdaq	7/18/2019	8,207.24	2.51%	10.12%	23.69%
Russell 2000	7/18/2019	1,555.62	-0.70%	6.15%	15.35%

## PERFORMANCE HISTORY



## SECTOR AVERAGE COMPARISON

Sector Name	Valuation	Momentum	P/E Ratio	Sharpe Ratio
Oils-Energy	34.18% undervalued	-27.50%	17.14	-0.4957
Auto-Tires-Trucks	12.07% undervalued	-15.07%	13.37	-0.1186
Consumer Discretionary	11.30% undervalued	-12.93%	25.06	-0.0271
Construction	9.35% undervalued	-10.37%	20.57	0.0597
Basic Materials	7.60% undervalued	-8.54%	24.27	-0.1611
Retail-Wholesale	6.20% undervalued	-11.74%	22.89	-0.0631
Finance	5.48% undervalued	-2.22%	16.16	0.1101
Transportation	5.03% undervalued	-5.35%	18.84	-0.1687
Industrial Products	4.97% undervalued	-2.52%	19.87	0.0495
Consumer Staples	4.14% undervalued	1.32%	23.25	0.1023
Medical	2.26% undervalued	-7.55%	30.74	-0.1621
Business Services	0.06% undervalued	-4.30%	26.31	0.0636
Aerospace	2.73% overvalued	7.02%	24.65	0.2211
Utilities	5.43% overvalued	14.25%	22.86	0.1357
Computer and Technology	6.35% overvalued	1.37%	32.35	0.0917
Multi-Sector Conglomerates	14.81% overvalued	-5.32%	17.47	-0.0247

**TOP INDUSTRIES**

Industry Name	Valuation	Momentum	P/E Ratio	Sharpe Ratio	Market Cap (bil)
Biofuels	-7.83%	-3.49%	50.58	-0.1330	0.3530
Shoes & Rel Apparel	-12.38%	-7.27%	16.50	0.0434	10.8050
Oil & Gas-U S Explo & Prod	-51.47%	-35.18%	14.89	-0.6060	2.4872
Oil & Gas-Drilling	-48.85%	-48.79%	21.18	-0.6826	1.0550
Mining-Silver	14.66%	3.58%	46.81	-0.1080	1.5695
Mining-Gold	9.32%	6.27%	48.21	-0.1164	2.4229
Medical-Hospitals	-28.64%	36.40%	16.83	-0.0651	8.8256
Machinery-Const/Mining	-8.31%	-18.78%	13.30	-0.0787	11.4161
Fertilizers	-21.74%	14.18%	20.91	-0.3399	10.8677
Elec Products-Misc	-13.90%	4.93%	26.80	-0.1162	6.5577

**STOCK OF THE WEEK - GLPG**

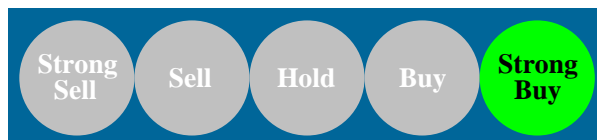
Comapny Name: Galapagos -Adr

Sector: Medical

Industry: Medical-Biomed/Genetics

**ValuEngine Recommendation**

ValuEngine recommendation covers more than 5000 companies. The recommendations are based on the proprietary ValuEngine one-year forecast return model output for each individual equity. ValuEngine's Five-Engine rating stocks have an averaged annual return of 13.75% since 2002.



**Data Summary**

Trade Date: Jul 18, 2019	Last Close: \$174.01	Avg Volume: 141480
1-Yr Forecast: 14.86%	Valuation: 92.92%	1-Yr Momentum: 70.41%
Market Cap (bil): \$6.77	EPS Growth: -372.03%	Beta: 1.56
5-Yr Avg Return: 20.02%	Volatility: 45.24%	Sharpe Ratio: 0.44
P/S Ratio: 18.46	M/B Ratio: 5.10	Alpha: 0.21
52-Wk High: \$174.63	52-Wk Low: \$85.00	Shares Outs(mil): 38.90

**Forecast Analysis**

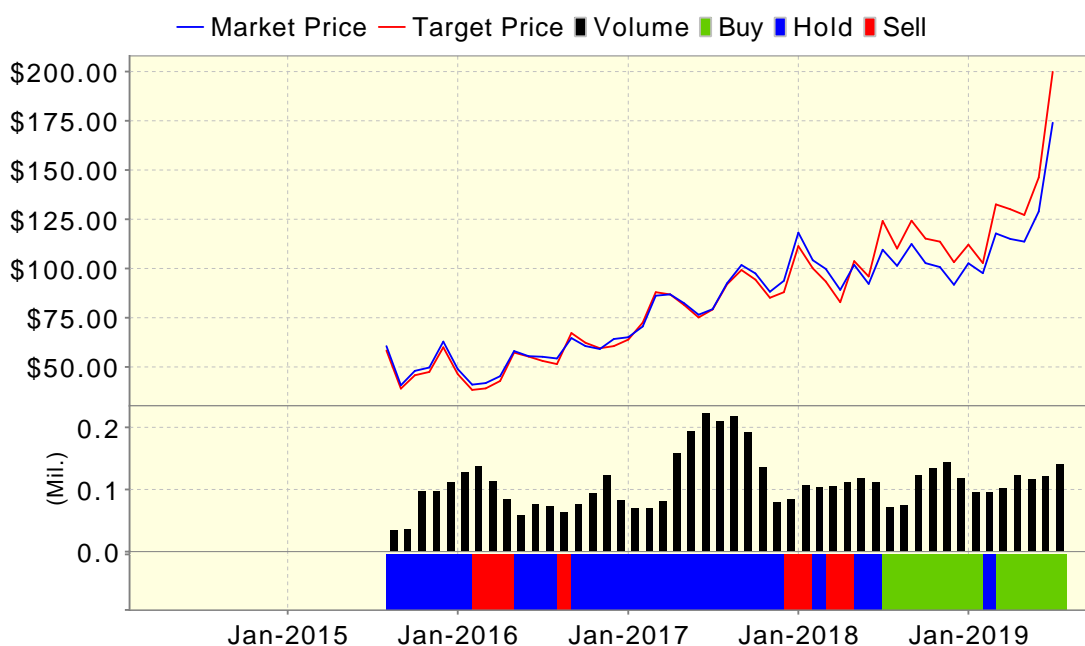
The predictive variables used in Valuengine's forecast model include both proprietary and well-established variables derived from credible financial studies and publications. We use a distinct forecasting model for each time horizon and apply the most advanced statistical/econometric techniques to ensure that our stock return forecasts are as reliable as possible.

	Target Price	Exp. Return
1-Month	\$176.16	1.23%
3-Month	\$178.45	2.55%
6-Month	\$184.54	6.05%
1-Year	\$199.86	14.86%
2-Year	\$197.63	13.57%
3-Year	\$213.72	22.82%

[Click for more information on ValuEngine's models.](#)

## STOCK OF THE WEEK - GLPG

### Price And Recommendation History



### ValuEngine Evaluation & Rankings

	Value	Ranking
1-Yr Forecast	14.86%	100
Valuation	92.92%	3
1-Yr Momentum	70.41%	97
P/E Ratio		30
Market Cap(bil)	6.7690	84
EPS Growth	-372.03%	1
5-Yr Avg Return	20.02%	93
Volatility	45.24%	37
Sharpe Ratio	0.4425	84
P/S Ratio	18.46	8
M/B Ratio	5.10	27
Surprise	64.06%	92

Just as important as the percentages shown for our predictive variables for each stock is the way they are ranked against @7000 stocks in our database. This is sometimes confusing to newcomers to ValuEngine. Each of these quantitative measurements is ranked on a scale of 1 to 100. Generally the higher the ranking, the more positive the influence each measurement has on the overall attractiveness of the stock. In other words a high rank is always better. For example:

- \* Forecast rank 100: 0% of stocks have higher forecast returns.
- \* Valuation rank 3: 97% of stocks are more undervalued.
- \* Momentum rank 97: 3% of stocks have higher momentum.
- \* P/E rank 30: 70% of stocks have lower P/E ratios.
- \* Size rank 84: 16% of stocks have higher market capitalization.
- \* Volatility rank 37: 63% of stocks have less volatility.

### Business Summary

Galapagos NV is a biotechnology company. The Company's operating segment consists of Research and Development and Services. Research and Development segment is engaged in the discovery and development of small molecules. Services segment offers drug discovery products and services. Its products include GLPG0634 for the treatment of rheumatoid arthritis and other inflammatory diseases, GLPG1205/GLPG1690 for treating inflammatory bowel disease, GSK2586184 for the treatment of chronic immuno-inflammatory diseases and GLPG0974, to prevent free fatty acid-induced activation and migration of neutrophils which are in different clinical trial. Galapagos NV is headquartered in Mechelen, Belgium.

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## VALUENGINE'S METHODOLOGY

ValuEngine's research combines the most advanced academic concepts with real world Wall Street practice. The result is state-of-the-art fair market valuation and price forecasting technologies.

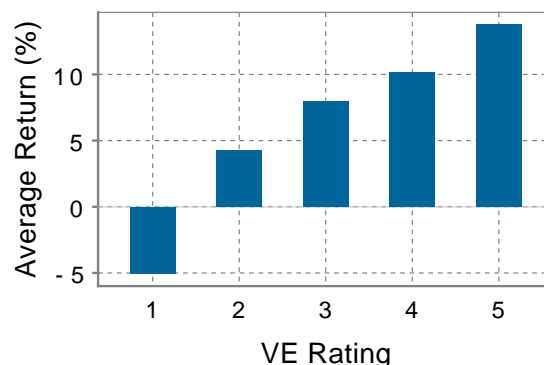
ValuEngine's stock valuation employs a sophisticated, three-factor approach. Fundamental variables, such as a company's trailing 12-month Earnings-Per-Share (EPS), the analyst consensus estimate of the company's future 12-month EPS, and the 30-year Treasury yield, are all used to create a more accurate reflection of a company's fair value. Together with eleven additional variables, ValuEngine paints a detailed picture of a company's fair value, represented by the model price.

ValuEngine's stock forecasts capture several important tendencies that stock prices consistently exhibit over six time horizons to ensure forecasts are established relative to a stock's proper peer groups. Advanced statistical/econometric techniques are used to run thousands of simulations estimating the probability of a double in stock price, as well as the probability of meeting and exceeding any given portfolio or stock investment target.

VE Engine Rating is an assessment of a stock's overall attractiveness. It is based on the one year forecast target price, which is the final evolution of VE's equity modeling. On average, only 2 percent of ValuEngine's 5,500 stocks under coverage achieve a 5 rating. 5 and 4 rated stocks are expected to outperform the overall markets, 3 rated to roughly match market performance, and 2 and 1 rated are expected to underperform.

For additional information about ValuEngine's financial research and financial modeling, please click [www.valuengine.com](http://www.valuengine.com)

VE Rating and Average Annual Return  
(Jan 2002 - Jun 2019)



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ValuEngine offers equity recommendations and related return estimates to investors and their advisors. It uses a three-class Buy-Hold-Sell rating system. This is a consolidated version of the firm's five class rating system: most favorable and favorable ratings are buys; neutral ratings are holds and the categories unfavorable and most unfavorable are sells.

**STOCK RATINGS:** The terms below are used to rate a stock's 12-month performance:

1. Buy: Expected to outperform the SP500 producing above average returns.
2. Hold: Expected to perform in line with the SP500 with average returns.
3. Sell: Expected to underperform the SP500 producing below-average returns.

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