

## VALUATION SUMMARY

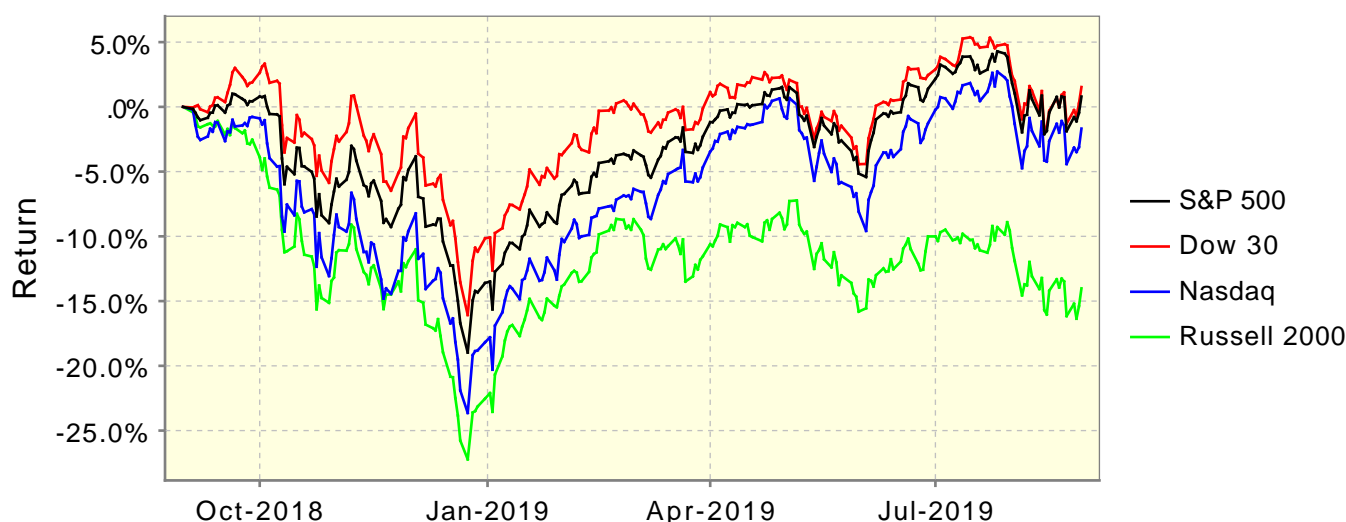
Stocks Undervalued	74.02%	Stocks Overvalued	25.98%
Stocks Undervalued by 20%	43.89%	Stocks Overvalued by 20%	10.27%

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	8/29/2019	2,924.58	-1.87%	6.27%	16.66%
Dow 30	8/29/2019	26,362.25	-1.87%	6.23%	13.01%
Nasdaq	8/29/2019	7,973.39	-2.47%	6.98%	20.17%
Russell 2000	8/29/2019	1,496.72	-4.95%	2.13%	10.99%

## PERFORMANCE HISTORY



## SECTOR AVERAGE COMPARISON

Sector Name	Valuation	Momentum	P/E Ratio	Sharpe Ratio
Oils-Energy	38.49% undervalued	-31.05%	16.44	-0.4924
Consumer Discretionary	19.19% undervalued	-15.90%	23.05	-0.0070
Industrial Products	17.79% undervalued	-10.02%	17.73	0.0757
Basic Materials	15.77% undervalued	-1.74%	25.47	-0.1599
Multi-Sector Conglomerates	14.50% undervalued	-13.36%	16.70	-0.0264
Auto-Tires-Trucks	14.44% undervalued	-23.75%	12.78	-0.1325
Transportation	14.27% undervalued	-12.50%	17.13	-0.1471
Construction	14.20% undervalued	-10.69%	19.39	0.0958
Medical	13.25% undervalued	-14.34%	28.86	-0.1710
Finance	12.03% undervalued	-6.12%	15.97	0.1318
Consumer Staples	11.34% undervalued	-0.55%	23.39	0.1817
Business Services	8.66% undervalued	-6.67%	25.25	0.0863
Retail-Wholesale	7.82% undervalued	-13.16%	22.08	-0.0525
Aerospace	5.98% undervalued	3.25%	24.65	0.2553
Computer and Technology	3.62% undervalued	-3.69%	30.43	0.1126
Utilities	2.56% undervalued	10.53%	22.60	0.1863

## TOP INDUSTRIES

Industry Name	Valuation	Momentum	P/E Ratio	Sharpe Ratio	Market Cap (bil)
Medical Services	-8.30%	-2.90%	20.40	0.1232	2.1888
Technology Services	1.74%	-19.51%	34.32	-0.0927	4.3457
Agriculture/Products	-42.76%	1.16%	13.69	-0.5196	3.7488
Transportation-Ship	-21.34%	-19.94%	21.50	-0.5115	1.1523
Textile-Home Furnishing	-28.14%	-37.31%	13.97	-0.1288	2.3350
Retail-Misc/Diversified	-30.33%	-10.63%	14.15	-0.0644	5.9401
Protection-Sfty Eq & Svc	-3.41%	3.45%	23.27	0.1551	3.7236
Movie/Tv Production/Distrib	-42.72%	-27.82%	28.33	-0.3400	3.0385
Machinery-Electrical	-21.33%	4.82%	16.99	-0.0239	8.6733
Elec-Semiconductors	-11.39%	0.72%	28.90	0.0635	4.9111

## STOCK OF THE WEEK - SHOP

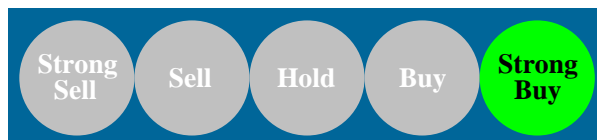
Comapny Name: Shopify Inc

Sector: Computer and Technology

Industry: Internet Services

## 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 13.92% since 2002.



## Data Summary

Trade Date: Aug 29, 2019	Last Close: \$391.71	Avg Volume: 1907094
1-Yr Forecast: 12.70%	Valuation: 212.77%	1-Yr Momentum: 169.87%
Market Cap (bil): \$43.69	EPS Growth: -28.77%	Beta: 1.33
5-Yr Avg Return: 59.00%	Volatility: 42.63%	Sharpe Ratio: 1.38
P/S Ratio: 33.70	M/B Ratio: 20.93	Alpha: 0.76
52-Wk High: \$409.61	52-Wk Low: \$117.64	Shares Outs(mil): 111.54

## Forecast Analysis

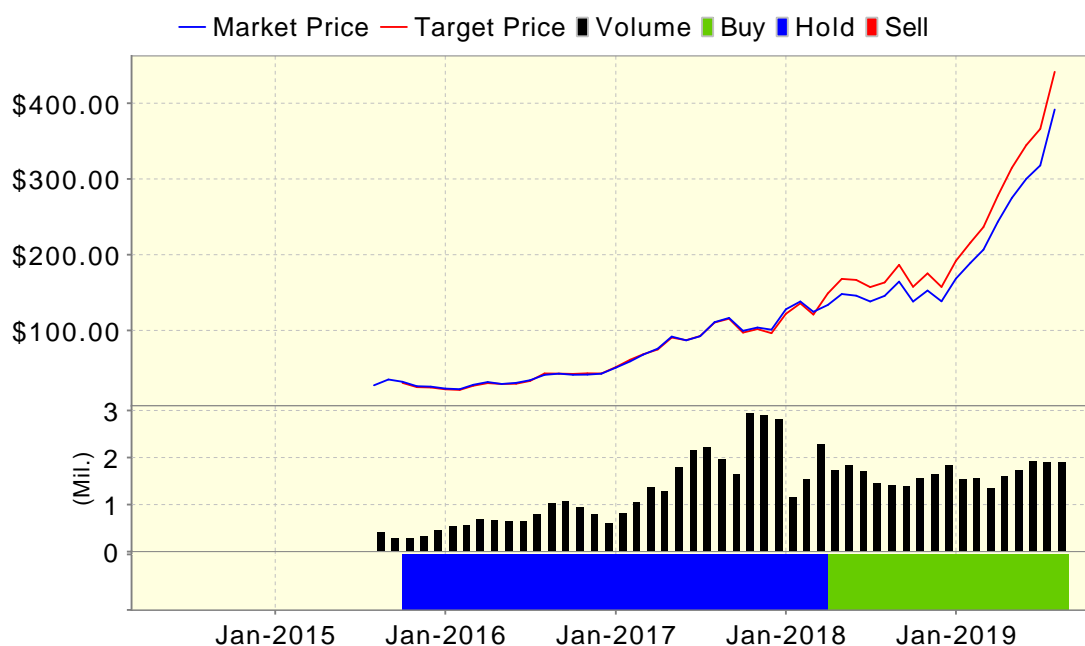
The predictive variables used in Valuengine's forecast model include both proprietary and well-established variables derived from credible financial studies and publications. We use a distinct forecasting model for each time horizon and apply the most advanced statistical/econometric techniques to ensure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

	Target Price	Exp. Return
1-Month	\$395.85	1.06%
3-Month	\$400.58	2.26%
6-Month	\$416.67	6.37%
1-Year	\$441.47	12.70%
2-Year	\$442.98	13.09%
3-Year	\$517.28	32.06%

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

## STOCK OF THE WEEK - SHOP

### Price And Recommendation History



### ValuEngine Evaluation & Rankings

	Value	Ranking
1-Yr Forecast	12.70%	98
Valuation	212.77%	1
1-Yr Momentum	169.87%	100
P/E Ratio		31
Market Cap(bil)	43.6913	97
EPS Growth	-28.77%	9
5-Yr Avg Return	59.00%	100
Volatility	42.63%	38
Sharpe Ratio	1.3842	99
P/S Ratio	33.70	6
M/B Ratio	20.93	8
Surprise	40.82%	88

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 98: 2% of stocks have higher forecast returns.
- \* Valuation rank 1: 99% of stocks are more undervalued.
- \* Momentum rank 100: 0% of stocks have higher momentum.
- \* P/E rank 31: 69% of stocks have lower P/E ratios.
- \* Size rank 97: 3% of stocks have higher market capitalization.
- \* Volatility rank 38: 62% of stocks have less volatility.

### Business Summary

Shopify Inc. offers cloud-based commerce platform. The Company's platform provides merchants to design, set up and manage their stores through Web, mobile, social media, brick-and-mortar locations and pop-up shops. Shopify Inc. is based in Ottawa, Canada.

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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.

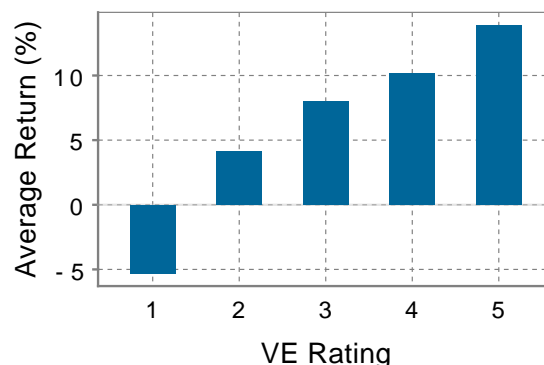
ValuEngine's stock valuation employs a sophisticated, three-factor approach. Fundamental variables, such as a company's trailing 12-month Earnings-Per-Share (EPS), the analyst consensus estimate of the company's future 12-month EPS, and the 30-year Treasury yield, are all used to create a more accurate 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 - Jul 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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