

VALUATION SUMMARY

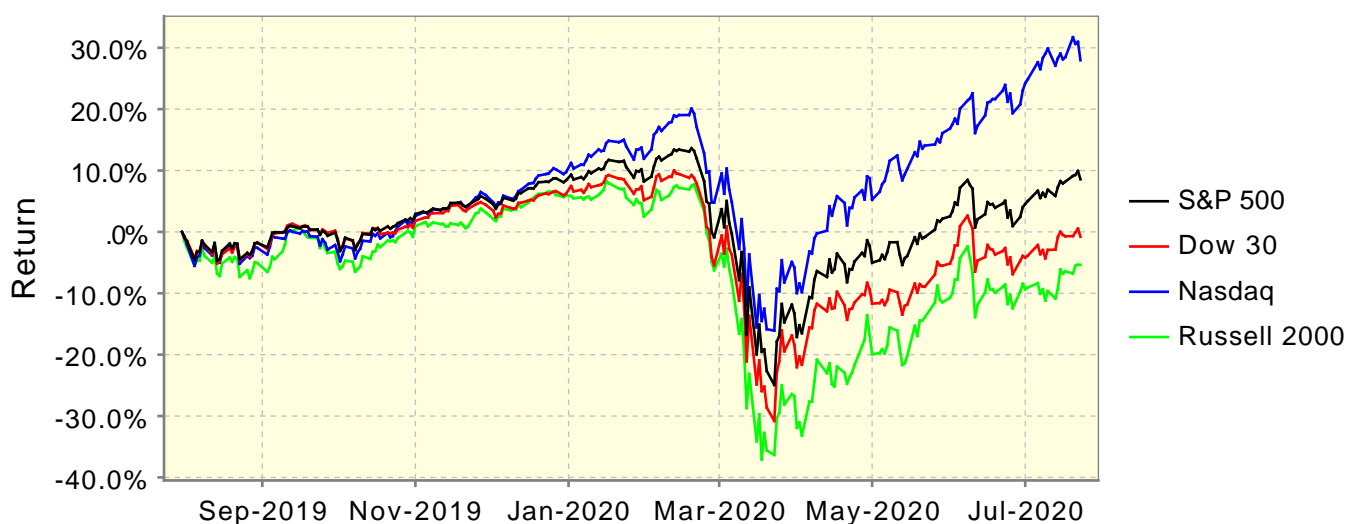
Stocks Undervalued	61.56%	Stocks Overvalued	38.44%
Stocks Undervalued by 20%	38.32%	Stocks Overvalued by 20%	19.25%

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	7/23/2020	3,235.66	4.37%	11.10%	0.15%
Dow 30	7/23/2020	26,652.33	3.25%	9.47%	-6.61%
Nasdaq	7/23/2020	10,461.42	4.00%	17.68%	16.59%
Russell 2000	7/23/2020	1,490.20	3.39%	13.70%	-10.68%

PERFORMANCE HISTORY



SECTOR AVERAGE COMPARISON

Sector Name	Valuation	Momentum	P/E Ratio	Sharpe Ratio
Oils-Energy	29.02% undervalued	-31.67%	18.83	-0.4420
Aerospace	15.10% undervalued	-23.97%	24.59	-0.0271
Finance	13.24% undervalued	-10.06%	14.00	-0.0328
Utilities	9.78% undervalued	-2.82%	23.08	0.1005
Consumer Staples	8.86% undervalued	0.19%	24.15	-0.0602
Transportation	3.80% undervalued	-18.50%	17.72	-0.2735
Business Services	2.39% undervalued	-7.80%	29.08	-0.0711
Industrial Products	0.81% undervalued	-1.92%	21.55	0.0149
Multi-Sector Conglomerates	0.67% undervalued	-20.36%	16.90	-0.2235
Basic Materials	4.29% overvalued	30.71%	26.44	-0.0509
Medical	4.90% overvalued	21.27%	33.61	-0.1576
Consumer Discretionary	6.52% overvalued	-13.92%	26.14	-0.1699
Construction	9.38% overvalued	4.00%	22.96	-0.0322
Computer and Technology	11.68% overvalued	15.85%	35.07	0.0607
Retail-Wholesale	17.68% overvalued	3.32%	28.33	-0.1742
Auto-Tires-Trucks	20.91% overvalued	1.27%	24.48	-0.1850

TOP INDUSTRIES

Industry Name	Valuation	Momentum	P/E Ratio	Sharpe Ratio	Market Cap (bil)
Solar	52.78%	66.34%	25.32	-0.1849	2.0185
Elec Misc Services	20.31%	30.91%	47.34	1.1749	13.9272
Retail/Wholesale Auto/Truck	10.45%	23.82%	14.18	-0.0161	2.1165
Toys/Games/Hobby Prod	7.71%	13.79%	41.81	0.0508	19.1952
Retail-Misc/Diversified	6.06%	-0.99%	25.69	-0.1856	5.9206
Retail-Consumer Elect	-9.69%	-12.57%	15.14	-0.1340	7.0797
Oil & Gas-Prod/Pipeline	-32.00%	-16.72%	12.92	-0.3502	12.2404
Mining-Silver	30.41%	57.53%	49.44	0.1722	2.2091
Medical-Hospitals	36.65%	37.46%	13.80	-0.2660	5.9969
Finance-Misc Services	12.20%	7.80%	16.72	-0.2778	3.8045

STOCK OF THE WEEK - AZUL

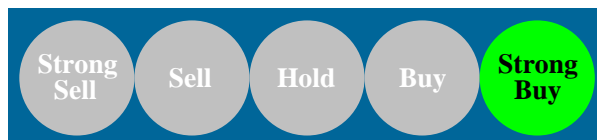
Comapny Name: Azul Sa

Sector: Transportation

Industry: Transportation-Airline

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 10.80% since 2002.


Data Summary

Trade Date: Jul 23, 2020	Last Close: \$11.97	Avg Volume: 4028614
1-Yr Forecast: 13.17%	Valuation: 181.96%	1-Yr Momentum: -69.08%
Market Cap (bil): \$5.01	EPS Growth: -24.14%	Beta: 1.74
5-Yr Avg Return: -21.82%	Volatility: 81.58%	Sharpe Ratio: -0.27
P/S Ratio: 1.75	52-Wk High: \$44.55	52-Wk Low: \$5.30
Shares Outs(mil): 418.53		

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	\$12.10	1.09%
3-Month	\$12.42	3.77%
6-Month	\$12.82	7.10%
1-Year	\$13.55	13.17%
2-Year	\$12.52	4.60%
3-Year	\$10.79	-9.87%

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

STOCK OF THE WEEK - AZUL

Price And Recommendation History



ValuEngine Evaluation & Rankings

	Value	Ranking
1-Yr Forecast	13.17%	99
Valuation	181.96%	3
1-Yr Momentum	-69.08%	4
P/E Ratio		23
Market Cap(bil)	5.0098	80
EPS Growth	-24.14%	16
5-Yr Avg Return	-21.82%	24
Volatility	81.58%	20
Sharpe Ratio	-0.2675	35
P/S Ratio	1.75	49
Surprise	149.26%	97
Beta	1.74	18

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 99: 1% of stocks have higher forecast returns.
- * Valuation rank 3: 97% of stocks are more undervalued.
- * Momentum rank 4: 96% of stocks have higher momentum.
- * P/E rank 23: 77% of stocks have lower P/E ratios.
- * Size rank 80: 20% of stocks have higher market capitalization.
- * Volatility rank 20: 80% of stocks have less volatility.

Business Summary

Azul SA is a holding company for the providers of airline passenger and cargo services. Azul SA is headquartered in Barueri, Brazil.

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VALUENGINE'S METHODOLOGY

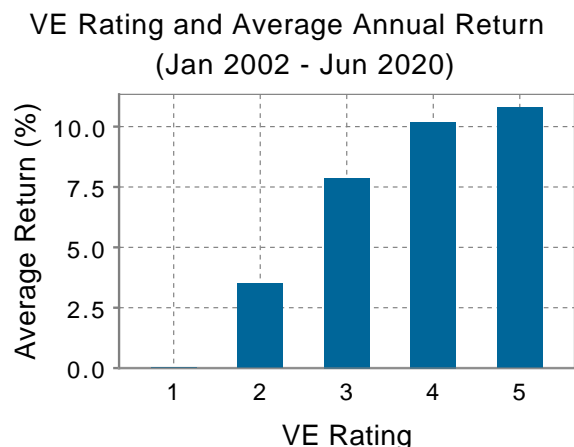
ValuEngine's research combines the most advanced academic concepts with real world Wall Street practice. The result is state-of-the-art fair market valuation and price forecasting technologies.

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



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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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