

VALUATION SUMMARY

Stocks Undervalued	56.15%	Stocks Overvalued	43.85%
Stocks Undervalued by 20%	31.58%	Stocks Overvalued by 20%	22.99%

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	10/9/2020	3,477.14	3.39%	6.30%	7.63%
Dow 30	10/9/2020	28,586.90	2.90%	8.17%	0.17%
Nasdaq	10/9/2020	11,579.94	3.69%	7.77%	29.06%
Russell 2000	10/9/2020	1,531.20	1.56%	3.43%	-8.23%

PERFORMANCE HISTORY



SECTOR AVERAGE COMPARISON

Sector Name	Valuation	Momentum	P/E Ratio	Sharpe Ratio
Oils-Energy	25.95% undervalued	-19.89%	18.62	-0.3578
Finance	7.87% undervalued	-3.83%	15.45	0.0489
Utilities	7.30% undervalued	2.64%	23.09	0.1548
Consumer Staples	7.23% undervalued	15.58%	26.18	0.0183
Aerospace	2.91% undervalued	-19.89%	24.13	-0.0812
Business Services	2.93% overvalued	7.55%	29.22	-0.0267
Basic Materials	2.97% overvalued	44.97%	27.26	0.1071
Multi-Sector Conglomerates	6.35% overvalued	-13.62%	19.64	-0.1173
Transportation	6.61% overvalued	-10.32%	21.86	-0.1676
Consumer Discretionary	7.39% overvalued	6.50%	27.84	-0.0852
Construction	8.34% overvalued	17.22%	22.87	0.1075
Industrial Products	10.77% overvalued	15.10%	25.27	0.1452
Medical	11.47% overvalued	39.98%	35.15	-0.1159
Retail-Wholesale	15.46% overvalued	16.64%	35.22	-0.0403
Computer and Technology	15.66% overvalued	34.13%	36.66	0.1633
Auto-Tires-Trucks	21.08% overvalued	15.24%	26.35	-0.0300

TOP INDUSTRIES

Industry Name	Valuation	Momentum	P/E Ratio	Sharpe Ratio	Market Cap (bil)
Other Alt Energy	15.31%	14.54%	26.85	-0.0854	6.2873
Biofuels	56.20%	172.57%	29.39	0.5092	1.5451
Solar	110.72%	180.11%	37.32	0.1372	3.5170
Elec Power	62.32%	145.15%	37.51	1.3041	12.9052
Internet Services - Delivery	25.81%	40.64%	42.99	0.0907	3.1486
Utility-Gas Distribution	-23.49%	1.56%	21.96	0.0540	7.4072
Medical-Hlth Maint Org	0.03%	29.25%	23.06	0.2550	38.3394
Medical-Drugs	0.35%	26.15%	24.39	-0.2693	1.9128
Lasers-Sys/Components	23.45%	69.39%	38.26	0.1294	1.4203
Bldg-Resident/Commrc	9.13%	16.99%	13.04	0.0785	6.8800

STOCK OF THE WEEK - LUV

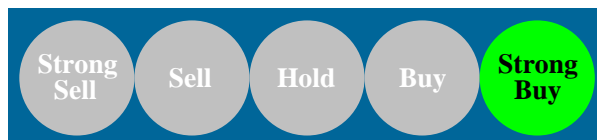
Company Name: Southwest Air

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 11.66% since 2002.



Data Summary

Trade Date: Oct 9, 2020	Last Close: \$39.73	Avg Volume: 11906420
1-Yr Forecast: 14.26%	Valuation: 45.30%	1-Yr Momentum: -25.72%
PEG Ratio: 0.12	Market Cap (bil): \$23.44	EPS Growth: 75.23%
Beta: 1.37	5-Yr Avg Return: -0.29%	Volatility: 33.94%
Sharpe Ratio: -0.01	P/S Ratio: 1.41	M/B Ratio: 2.37
Forward Dividend: \$0.54	Dividend Yield: 1.36%	Alpha: -0.53

Forecast Analysis

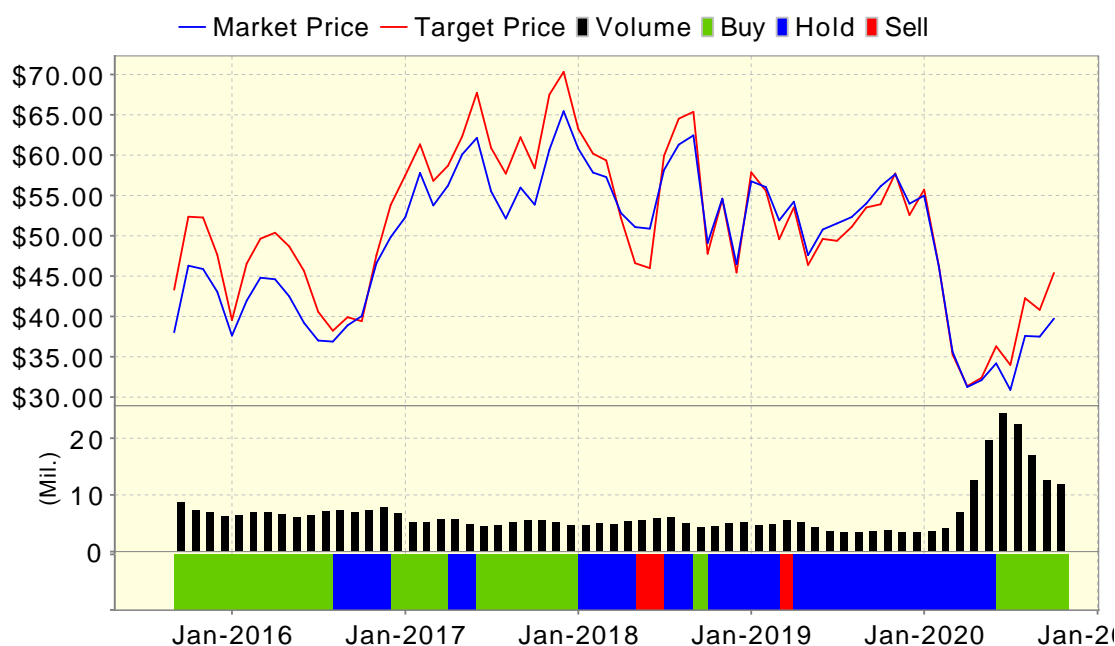
The predictive variables used in Valuengine's forecast model include both proprietary and well-established variables derived from credible financial studies and publications. We use a distinct forecasting model for each time horizon and apply the most advanced statistical/econometric techniques to ensure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

	Target Price	Exp. Return
1-Month	\$40.20	1.18%
3-Month	\$40.98	3.14%
6-Month	\$41.91	5.48%
1-Year	\$45.40	14.26%
2-Year	\$44.37	11.68%
3-Year	\$39.76	0.09%

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

STOCK OF THE WEEK - LUV

Price And Recommendation History



ValuEngine Evaluation & Rankings

	Value	Ranking
1-Yr Forecast	14.26%	99
Valuation	45.30%	12
1-Yr Momentum	-25.72%	23
P/E Ratio		20
Market Cap(bil)	23.4355	93
EPS Growth	75.23%	77
5-Yr Avg Return	-0.29%	48
Volatility	33.94%	54
Sharpe Ratio	-0.0084	49
P/S Ratio	1.41	58
M/B Ratio	2.37	49
Surprise	16.09%	66

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 12: 88% of stocks are more undervalued.
- * Momentum rank 23: 77% of stocks have higher momentum.
- * P/E rank 20: 80% of stocks have lower P/E ratios.
- * Size rank 93: 7% of stocks have higher market capitalization.
- * Volatility rank 54: 46% of stocks have less volatility.

Business Summary

Southwest Airlines (NYSE:LUV) is a major domestic airline headquartered in Dallas, Texas. The company provides primarily shorthaul, high-frequency, point-to-point, low-fare service. Southwest operates over Boeing 737 aircraft in numerous cities. Southwest has the lowest operating cost structure in the domestic airline industry and consistently offers the lowest and simplest fares. Southwest also has one of the best overall Customer Service records.

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- Other customized services

Please call (321) 325-0519 or contact support@valuengine.com

VALUENGINE'S METHODOLOGY

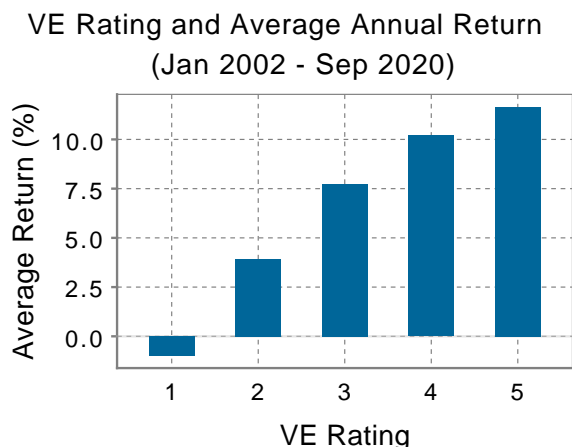
ValuEngine's research combines the most advanced academic concepts with real world Wall Street practice. The result is state-of-the-art fair market valuation and price forecasting technologies.

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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