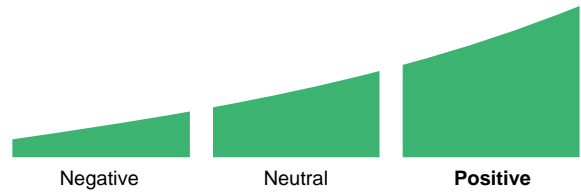# Pharmaceuticals

The sector Pharmaceuticals represents approximately 50% of the market capitalization of the group Health Care and approximately 5% of the World market with 149 companies being regularly followed by theScreener.

The sector is currently trading close to its 52 week high and 21% above its 52 week low (bi-weekly closing).

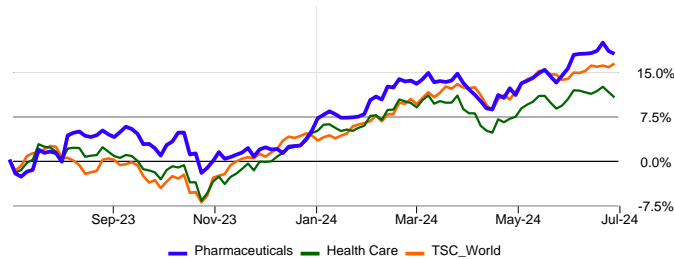Performance since July 4, 2023: 17.8% vs. 10.6% for the group Health Care and 16.3% for the TSC_World.

The current % of stocks over their Medium Term technical trend (MTT) is 31.5%.
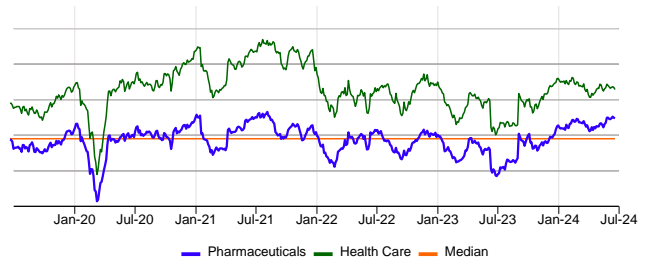
## Global Evaluation



Negative    Neutral    **Positive**

| | Market Value | Perf YtD | Nb of Stocks | Mkt Cap in $bn | Stars | Sensitivity | LT P/E | LT Growth | 4wk Rel. Perf. | Div | Global Evaluation |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Pharmaceuticals (WO)** | 169.91 | 13.9% | 149 | 4,862.72 | ★★★★ | | 14.9 | 19.5% | -0.1% | 2.2% | |
| Health Care (WO) | 369.31 | 7.1% | 505 | 9,639.39 | ★★★☆ | | 16.5 | 18.0% | -2.0% | 1.7% | |
| TSC_World (WO) | 497.44 | 11.3% | 6,188 | 109,267.81 | ★★★★ | | 11.4 | 17.9% | 2.3% | 2.4% | |

## Comparison    July 4, 2023 - July 2, 2024



### Price evaluation rating ★
In order to assess how an index is valued, we compare, among other, the projected earnings growth and dividend with the estimated PE ratio.
Based on this approach, we feel this sector is currently strongly undervalued.
The G/PE ratio higher than 0.9 indicates that the index's price includes a discount to growth of -38.3%.

### Earnings revision trend ★
Compared to seven weeks ago, the analysts have not significantly revised their earnings estimates (changes between +1% and -1% are considered neutral). But the underlying trend has been positive since February 2, 2024 at a price of 155.3.

### Technical Trend and Performance ★★
The sector is currently at a level close to its 40-day moving average. Prior to this (since May 14, 2024), the sector traded above its 40-day moving average. The confirmed Technical Reverse point is currently 3% lower.

## "Price to Estimated Earnings" (PE) - Evolution over five years
The estimated PE is calculated on the basis of the underlying stocks.
The sector is currently trading above its historical median of 13.8.



## Checklist    *Nyon, 03-Jul-2024 06:30 GMT+1*

| Global Evaluation | | **Positive** |
|---|---|---|
| **Stars** | ★★★★ | **Very strong interest since May 31, 2024.** |
| Earnings Rev Trend | ★ | Analysts neutral but previously positive (since February 2, 2024) |
| Valuation Rating | ★ | Strongly undervalued |
| MT Tech Trend | ★ | Market neutral but previously positive (since May 14, 2024) |
| 4wk Rel. Perf. | ★ | vs. TSC_World |
| **Sensitivity** | | **The industry has been on the low-sensitivity level since July 28, 2023.** |

## Comparison    July 2, 2019 - July 2, 2024

# Pharmaceuticals

| | Market Value | Perf YtD | Nb of Stocks | Mkt Cap in $bn | Stars | Sensitivity | LT P/E | LT Growth | 4wk Rel. Perf. | Div | Global Evaluation |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Pharmaceuticals (WO) | 169.91 | 13.9% | 149 | 4,862.72 | ★★★★ | | 14.9 | 19.5% | -0.1% | 2.2% | |

## Price & Sensitivity Evolution



Legend: Price — MT Technical Trend

Low — Moderate — High
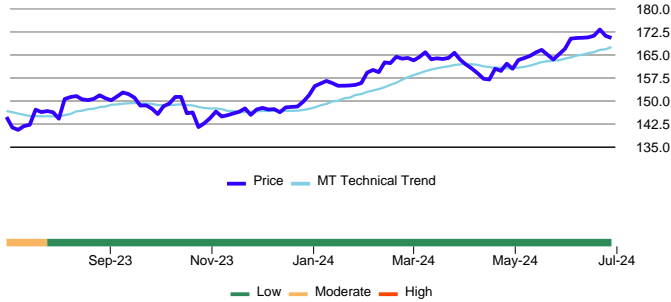
### Volatility

The volatility is also used as a sensitivity factor. It measures the magnitude of the upward and downward movements of a stock or index. The higher the volatility, the more sensitive a sector is considered to be.

As of the last update, the monthly volatility of (9.8%) is lower than the last few years' average of (11.5%). The low magnitude of short term price fluctuations indicates a lull in the market.

On the other hand, long term volatility 11.9% of the sector is similar to that of the group Health Care (10.6%), reflecting almost identical price variations between the sector and the group to which it belongs.

### Sensitivity factor in declining markets

The "Bear Market Factor" measures the behavior of a sector in declining markets. In this context, the sector Pharmaceuticals has a tendency to minimize the drops of the index TSC_World.

This would indicate a low sensitive behaviour during market corrections. The sector Pharmaceuticals has a tendency to minimize drops in the index by -0.65%.

### Sensitivity factor in rising markets

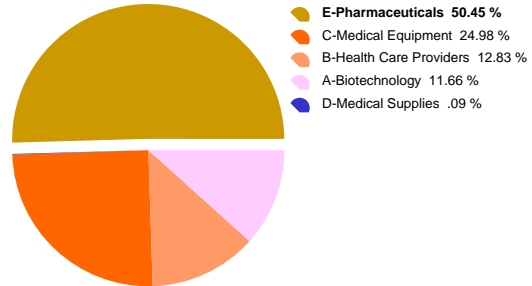The "Bad News Factor" measures a sector's corrections in a rising market phase.

In this configuration, the market slightly sanctions the sector Pharmaceuticals when there is specific pressure in this particular economic activity.

When the sector declines in a rising market its average deviation is -1.40%.

### Sensitivity analysis summary

Generally speaking, the sector Pharmaceuticals is considered little sensitive in view of the Bear Market and Bad News factor which are both at a low level.

## Allocation by sector, of the group Health Care



- E-Pharmaceuticals 50.45 %
- C-Medical Equipment 24.98 %
- B-Health Care Providers 12.83 %
- A-Biotechnology 11.66 %
- D-Medical Supplies .09 %

The largest sector in terms of market capitalization Pharmaceuticals represents 50.4% of the group Health Care.These sectors follow, in size order, Medical Equipment with 25.0% and Health Care Providers with 12.8%.

## 2024 sector evolution



- 7.1% (HEA)
- 11.3% (TSC_World)
- 2.7% (A)
- -2.0% (B)
- 1.1% (C)
- 13.9% (E)
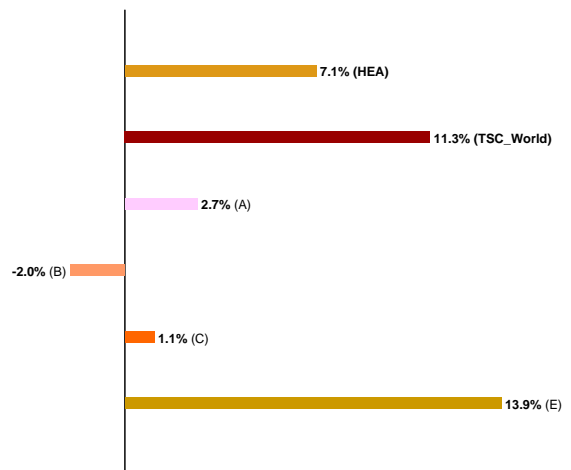
From the beginning of the year, the sector Pharmaceuticals recorded a variation of 13.9%, while the group Health Care evolved by 7.1%. This industry group is made up of 5 sectors, in which the extreme variations were from -2.0% to 13.9%.

# Pharmaceuticals

| | Market Value | Perf YtD | Nb of Stocks | Mkt Cap in $bn | Stars | Sensitivity | LT P/E | LT Growth | 4wk Rel. Perf. | Div | Global Evaluation |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Pharmaceuticals (WO) | 169.91 | 13.9% | 149 | 4,862.72 | ★★★★ | | 14.9 | 19.5% | -0.1% | 2.2% | |

The performance of the 20 largest stocks of the sector is presented below.

## Year to date performance



The analysis and details of the above stock can be found on page 6
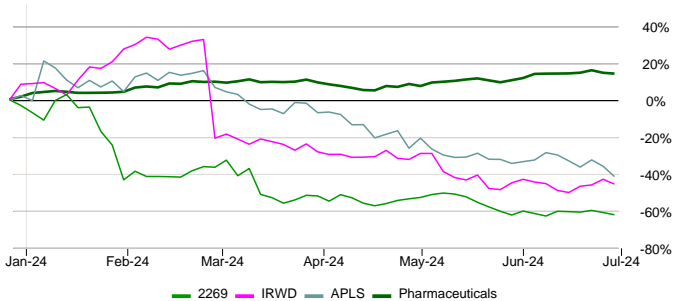
## 12 months performance
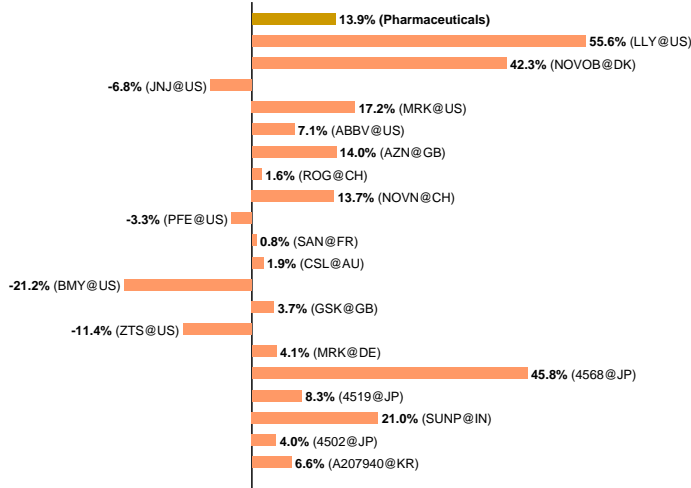


The analysis and details of the above stock can be found on page 6

**Top Stocks 2024**
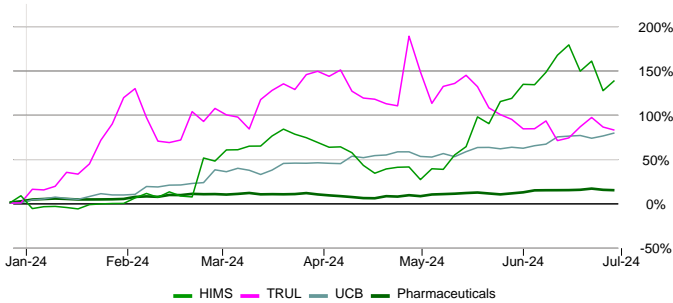


From the beginning of the year, the performance of the sector was 13.9%; as for the three best stocks, (HIMS & HERS (HIMS), TRULIEVE CANNABIS CORP. (TRUL) and UCB (UCB)), their performance was 138.3%, 82.3% and 79.2% respectively.
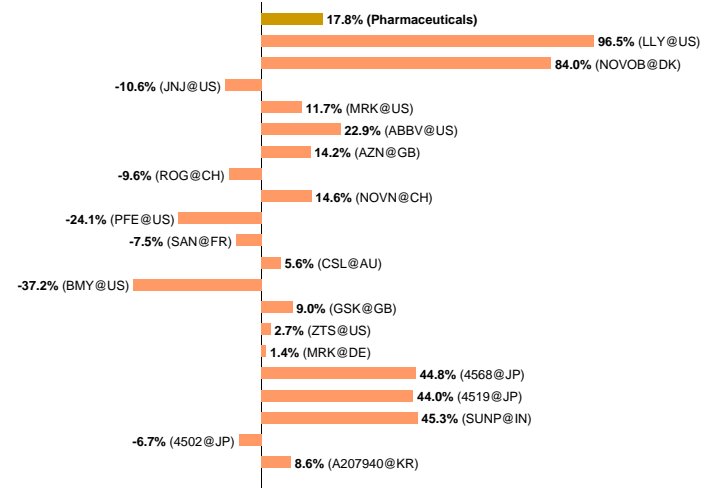
**Flop Stocks 2024**



WUXI BIOLOGICS CAYMAN (2269), IRONWOOD PHARMS.INCO. (IRWD) and APELLIS PHARMS. (APLS) with -62.2%, -45.6% and -41.6% recorded the three worst performances from the beginning of the year. For the sector Pharmaceuticals, the variation was 13.9%.
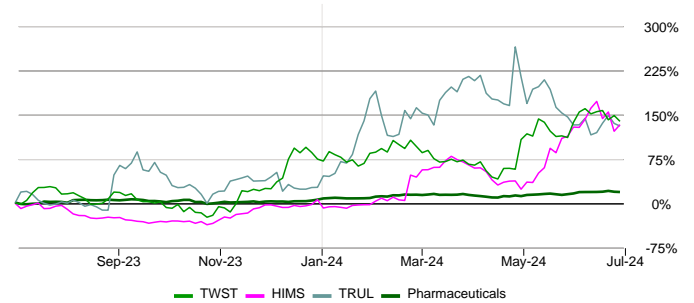
Only companies with a market capitalization exceeding $500 million are mentioned.

**Top Stocks 12 months**



Since 12 months ago, the performance of the sector has been 17.8%; the three best stocks, (TWIST BIOSCIENCE CORP. (TWST), HIMS & HERS (HIMS) and TRULIEVE CANNABIS CORP. (TRUL)) recorded performances of 138.4%, 132.8% and 130.4% respectively.

**Flop Stocks 12 months**
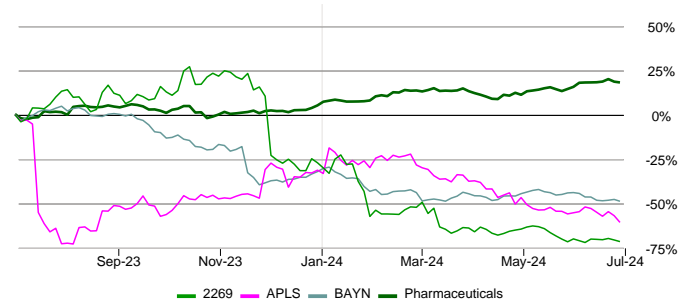


The three worst performances in 12 months were recorded by WUXI BIOLOGICS CAYMAN (2269), APELLIS PHARMS. (APLS) and BAYER (BAYN) with -71.6%, -60.8% and -48.9%. As for the sector Pharmaceuticals, it recorded a variation of 17.8%.

# Pharmaceuticals

The lists below present a selection of stocks with particular characteristics of interest to many investors. **The selection is not meant as a recommendation to buy or sell any securities by the reader, as it cannot and does not consider the reader's personal financial situation nor its appetite for or aversion to risk. Please request personalised guidance from your financial advisor prior to any action.**

## Stocks of interest

| Name | Market | Group | Best Evaluation | Defensive Stocks | High Dividends | Low PE |
|------|--------|-------|:---------------:|:----------------:|:--------------:|:------:|
| ABBVIE | US | Health Care | | | ✓ | |
| AUROBINDO PHARMA | IN | Health Care | | ✓ | | |
| BAUSCH HEALTH | CA | Health Care | | | | ✓ |
| BAUSCH HEALTH | US | Health Care | | | | ✓ |
| GLENMARK PHARMACEUTICALS | IN | Health Care | ✓ | | | |
| H LUNDBECK B | DK | Health Care | ✓ | | | |
| JAZZ PHARMACEUTICALS | US | Health Care | | | | ✓ |
| NATCO PHARMA | IN | Health Care | ✓ | | | |
| NOVARTIS AG | CH | Health Care | | | ✓ | |
| NOVO NORDISK A/S | DK | Health Care | | ✓ | | |
| ORGANON | US | Health Care | | | | ✓ |
| RECORDATI INDUA.CHIMICA | IT | Health Care | | | ✓ | |
| ROCHE HOLDING | CH | Health Care | | | ✓ | |
| SAWAI GROUP HOLDINGS | JP | Health Care | ✓ | ✓ | | |
| SH FOSUN PHARMA | HK | Health Care | | | ✓ | |
| TEVA PHARMACEUTICAL | US | Health Care | | ✓ | | |
| UCB | BE | Health Care | ✓ | | | |
| VIATRIS | US | Health Care | | | | ✓ |
| ZYDUS LIFESCIENCES | IN | Health Care | | | ✓ | |

## Stocks with the best valuations

| Symbol Market | Name Sector | Price Ccy | Mkt Cap in $bn | 7wk EPS Rev | Stars | Sensitivity | Global Evaluation |
|---------------|-------------|-----------|----------------|-------------|-------|-------------|-------------------|
| NTCPH IN | NATCO PHARMA Pharmaceuticals | 1,193.20 INR | 2.57 | 22.9% | ★★★★ | | ▁▂▃▄ |
| GNP IN | GLENMARK PHARMACEUTICALS Pharmaceuticals | 1,248.20 INR | 4.28 | 20.5% | ★★★★ | | ▁▂▃▄ |
| 4555 JP | SAWAI GROUP HOLDINGS Pharmaceuticals | 6,600.00 JPY | 1.81 | 14.9% | ★★★★ | | ▁▂▃▄ |
| UCB BE | UCB Pharmaceuticals | 141.35 EUR | 28.47 | 10.1% | ★★★★ | | ▁▂▃▄ |
| HLUN DK | H LUNDBECK B Pharmaceuticals | 39.20 DKK | 4.41 | 9.8% | ★★★★ | | ▁▂▃▄ |

**Evolution over the last 3 months**

NTCPH — GNP — 4555 — UCB — HLUN
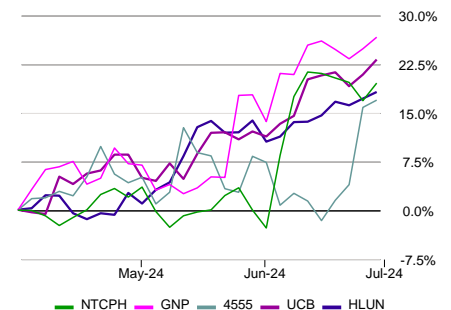
The Global Evaluation is a multi-criteria approach to identify the stocks with the best overall outlook. The assessment is the compilation of fundamental (PE, growth, earnings revisions, dividend, etc.), technical (moving average, relative performance), and sensitivity (behaviour in declining markets and sensitivity to bad news) factors. In order to present a relevant selection, only companies with a market capitalization above $1bn and showing good earnings growth valuations, are listed. Furthermore, the eligible stocks must have a minimum rating of two stars, a neutral to positive valuation, and a low to moderate sensitivity. When the global rankings are identical, the analysts' 7 week earnings per share revision (7 wk EPS rev) acts as the deciding classification element.

# Pharmaceuticals

| | Market Value | Perf YtD | Nb of Stocks | Mkt Cap in $bn | Stars | Sensitivity | LT P/E | LT Growth | 4wk Rel. Perf. | Div | Global Evaluation |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Pharmaceuticals (WO) | 169.91 | 13.9% | 149 | 4,862.72 | ★★★★ | | 14.9 | 19.5% | -0.1% | 2.2% | |

**Evolution over the last 3 months**



TEVA — NOVOB — ARBP — CDH — 4555

## The best defensive stocks
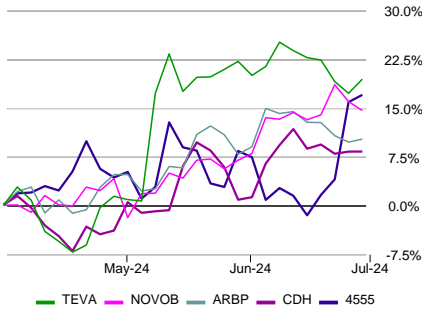
| Symbol Market | Name Sector | Price Ccy | Mkt Cap in $bn | Bear Mkt Factor | Stars | Sensitivity | Global Evaluation |
|---|---|---|---|---|---|---|---|
| TEVA US | TEVA PHARMACEUTICAL Pharmaceuticals | 16.55 USD | 17.99 | -143 | ★★★☆ | | |
| NOVOB DK | NOVO NORDISK A/S Pharmaceuticals | 993.50 DKK | 640.77 | -143 | ★★★☆ | | |
| ARBP IN | AUROBINDO PHARMA Pharmaceuticals | 1,212.85 INR | 8.51 | -127 | ★★☆☆ | | |
| CDH IN | ZYDUS LIFESCIENCES Pharmaceuticals | 1,074.45 INR | 12.86 | -126 | ★★☆☆ | | |
| 4555 JP | SAWAI GROUP HOLDINGS Pharmaceuticals | 6,600.00 JPY | 1.81 | -123 | ★★★★ | | |

The sensitivity assessment is based on essentially two criteria: the stock's "behaviour in declining markets" (Bear Market Factor), and the stock's "sensitivity to bad news" (Bad News Factor). By positioning a stock according to the world averages, three sensitivity levels can be attributed (low, moderate, high). Combining these elements makes it possible to create a final ranking of stocks in the market. To present the most useful selection, only companies with a market capitalization greater than $1bn and showing good earnings growth valuations are listed. Furthermore, the eligible stocks must have a minimum rating of two stars, a neutral to positive valuation, and a low to moderate sensitivity. In case of a tie, the stock's "behaviour in declining markets" will act as the deciding classification element.

## The stocks with attractive dividends

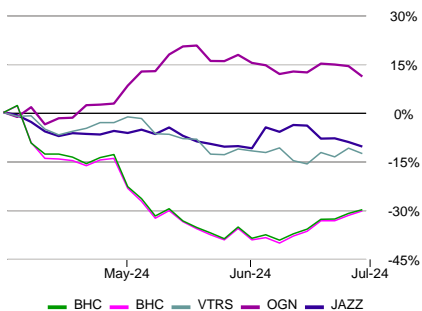| Symbol Market | Name Sector | Price Ccy | Mkt Cap in $bn | Div | Stars | Sensitivity | Global Evaluation |
|---|---|---|---|---|---|---|---|
| ROG CH | ROCHE HOLDING Pharmaceuticals | 248.50 CHF | 224.38 | 4.0% | ★★★★ | | |
| ABBV US | ABBVIE Pharmaceuticals | 165.96 USD | 300.85 | 3.8% | ★★★☆ | | |
| NOVN CH | NOVARTIS AG Pharmaceuticals | 96.46 CHF | 211.96 | 3.6% | ★★★★ | | |
| 2196 HK | SH FOSUN PHARMA Pharmaceuticals | 13.32 HKD | 7.38 | 3.3% | ★★★★ | | |
| REC IT | RECORDATI INDUA.CHIMICA Pharmaceuticals | 48.96 EUR | 10.80 | 3.0% | ★★★☆ | | |

**Evolution over the last 3 months**



ROG — ABBV — NOVN — 2196 — REC
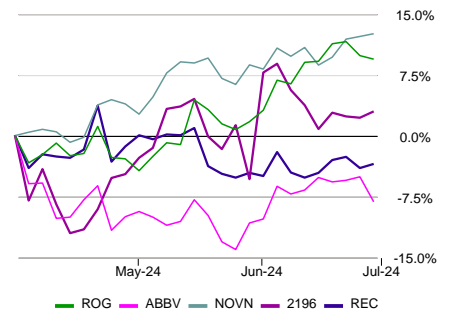
Within this category, the equities that have been chosen are based on the expected dividend yield over the next 12 months. The selection takes into consideration only companies with payout dividends totalling not more than 70% of their forecasted income. This is to ensure that only companies are included that show a strong potential for a continued payout of dividends in the future. This profile also requires a minimum of 2 stars and a market value greater than one billion USD.

**Evolution over the last 3 months**



BHC — BHC — VTRS — OGN — JAZZ

## The stocks with the lowest PE

| Symbol Market | Name Sector | Price Ccy | Mkt Cap in $bn | LT P/E | Stars | Sensitivity | Global Evaluation |
|---|---|---|---|---|---|---|---|
| BHC CA | BAUSCH HEALTH Pharmaceuticals | 9.70 CAD | 2.55 | 1.4 | ★★☆☆ | | |
| BHC US | BAUSCH HEALTH Pharmaceuticals | 7.11 USD | 2.55 | 1.4 | ★★☆☆ | | |
| VTRS US | VIATRIS Pharmaceuticals | 10.43 USD | 12.61 | 3.7 | ★★☆☆ | | |
| OGN US | ORGANON Pharmaceuticals | 20.12 USD | 5.22 | 4.1 | ★★★☆ | | |
| JAZZ US | JAZZ PHARMACEUTICALS Pharmaceuticals | 105.09 USD | 6.71 | 4.4 | ★★☆☆ | | |

The price to earnings ratio (PE) may help to find undervalued stocks. If the PE of a stock is much lower than the PE of its reference market, the stock could have upside price potential. In order to present a relevant selection, only companies with a market capitalization greater than $1bn and showing good earnings growth valuations are listed. Furthermore, the eligible stocks must have: a minimum rating of two stars, a neutral to positive valuation, a low to moderate sensitivity. When the PE ratios are identical, the analysts' 7 week earnings per share revision (7 wk EPS rev) acts as the deciding classification element.

# Pharmaceuticals

| | Market Value | Perf YtD | Nb of Stocks | Mkt Cap in $bn | Stars | Sensitivity | LT P/E | LT Growth | 4wk Rel. Perf. | Div | Global Evaluation |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Pharmaceuticals (WO) | 169.91 | 13.9% | 149 | 4,862.72 | ★★★★ | | 14.9 | 19.5% | -0.1% | 2.2% | |

## The 20 top stocks classified by market capitalization

| Symbol Market | Name Sector | Price Ccy | Perf YtD | Mkt Cap in $bn | Stars | Sensitivity | LT P/E | LT Growth | 4wk Rel. Perf. | Div | Global Evaluation |
|---|---|---|---|---|---|---|---|---|---|---|---|
| LLY US | ELI LILLY Pharmaceuticals | 906.71 USD | 55.5% | 869.02 | ★★★☆ | | 29.6 | 36.2% | 4.8% | 0.6% | |
| NOVOB DK | NOVO NORDISK A/S Pharmaceuticals | 993.50 DKK | 42.3% | 640.77 | ★★★☆ | | 28.4 | 25.3% | 9.3% | 1.3% | |
| JNJ US | JOHNSON & JOHNSON Pharmaceuticals | 146.03 USD | -6.8% | 352.43 | ★★☆☆ | | 12.7 | 8.7% | -5.4% | 3.4% | |
| MRK US | MERCK & COMPANY Pharmaceuticals | 127.72 USD | 17.2% | 323.95 | ★☆☆☆ | | 11.4 | 43.3% | -4.5% | 2.5% | |
| ABBV US | ABBVIE Pharmaceuticals | 165.96 USD | 7.1% | 300.85 | ★★★☆ | | 12.4 | 10.0% | -0.7% | 3.8% | |
| AZN GB | ASTRAZENECA Pharmaceuticals | 12,086.00 GBp | 14.0% | 241.46 | ★★★★ | | 14.8 | 13.6% | -0.4% | 2.1% | |
| ROG CH | ROCHE HOLDING Pharmaceuticals | 248.50 CHF | 1.6% | 224.38 | ★★★★ | | 11.9 | 8.9% | 8.8% | 4.0% | |
| NOVN CH | NOVARTIS AG Pharmaceuticals | 96.46 CHF | 13.7% | 211.96 | ★★★★ | | 12.8 | 10.2% | 5.7% | 3.6% | |
| PFE US | PFIZER Pharmaceuticals | 27.83 USD | -3.3% | 159.91 | ★★☆☆ | | 9.6 | 11.6% | -9.3% | 6.1% | |
| SAN FR | SANOFI Pharmaceuticals | 90.44 EUR | 0.8% | 123.98 | ★★☆☆ | | 8.9 | 8.4% | 2.1% | 4.4% | |
| CSL AU | CSL Pharmaceuticals | 292.08 AUD | 1.9% | 94.11 | ★★★☆ | | 24.8 | 19.5% | 4.2% | 1.6% | |
| BMY US | BRISTOL MYERS SQUIBB Pharmaceuticals | 40.45 USD | -21.2% | 83.72 | ★★☆☆ | | 6.6 | 123.3% | -7.4% | 6.1% | |
| GSK GB | GLAXOSMITHKLINE Pharmaceuticals | 1,503.50 GBp | 3.7% | 78.78 | ★★☆☆ | | 7.6 | 8.5% | -4.2% | 4.1% | |
| ZTS US | ZOETIS Pharmaceuticals | 174.81 USD | -11.4% | 78.75 | ★★☆☆ | | 25.6 | 17.4% | -2.9% | 1.1% | |
| MRK DE | MERCK KGAA Pharmaceuticals | 150.00 EUR | 4.1% | 70.93 | ★★☆☆ | | 13.3 | 12.1% | -8.7% | 1.6% | |
| 4568 JP | DAIICHI SANKYO Pharmaceuticals | 5,646.00 JPY | 45.8% | 64.40 | ★★★☆ | | 27.0 | 27.2% | 0.7% | 1.1% | |
| 4519 JP | CHUGAI PHARM. Pharmaceuticals | 5,786.00 JPY | 8.3% | 57.49 | ★★★☆ | | 25.2 | 15.2% | 18.0% | 1.6% | |
| SUNP IN | SUN PHARM.INDUSTRIES Pharmaceuticals | 1,524.10 INR | 21.0% | 43.64 | ☆☆☆☆ | | 29.1 | 21.3% | 1.0% | 0.9% | |
| 4502 JP | TAKEDA PHARMACEUTICAL Pharmaceuticals | 4,217.00 JPY | 4.0% | 40.82 | ★★☆☆ | | 23.8 | 53.8% | -2.6% | 4.7% | |
| A207940 KR | SAMSUNG BIOLOGICS Pharmaceuticals | 810,000.00 KRW | 6.6% | 38.94 | ★★☆☆ | | 40.5 | 29.8% | 2.4% | 0.0% | |

# Glossary - Equities

**Global Evaluation**

The rating results from several factors: fundamentals, technical analysis, measures of sensitivity, and the benchmark trend.
The synthesis is rated on a 5 level scale:

- : **Positive**, almost all or all the factors are positive
- : **Slightly positive**, a majority of factors are positive
- : **Neutral**, balance between positive and negative factors
- : **Slightly negative**, a majority of factors are negative
- : **Negative**, almost all or all the factors are negative

The synthesis for the Indices and Industries is rated on a 3 level scale: Positive, Neutral and Negative.

**Number of Stocks**

The number of stocks in the index that can be analyzed.

**Mkt Cap in $bn**

This number represents the Market Capitalization in USD bn. It is calculated by multiplying a firm's share price by the number of outstanding shares. For reasons of comparison, all results are in USD.

**Valuation Rating**

Our Valuation Rating indicates if a stock is "expensive" or "cheap" relative to its growth potential. This is used to determine whether or not the investor is paying a premium for anticipated growth.
To estimate a stock's value relative to its current price, our Valuation Rating combines:
- stock price
- projected earnings
- projected earnings growth
- dividends
We establish our rating by combining these elements.
There are five ratings, ranging from strongly undervalued to strongly overvalued.

**Stars**

theScreener's star rating system is designed to enable you to identify high-quality stocks quickly and easily.
Stars are earned for each element specified below:
- Earnings Rev Trend
- Valuation Rating
- MT Tech Trend
- 4 week Relative Performance
Therefore, a stock can earn a maximum of four stars.
The lowest rating a stock can have is no stars.
Once a stock has earned a star, it will keep it until:
- Earnings Rev Trend becomes negative
- Valuation Rating becomes negative
- MT Tech Trend becomes negative
- 4 week Relative Performance drops below -1%

**Dividend**

This is the dividend in % for the next 12 months.
Even if the same number is shown, the dividend value can appear in one of four colors, depending on the earnings coverage:
- 0%, no dividend
- 4%, the dividends are covered (between 0% and 40% of earnings)
- 4%, the dividends represent between 40% and 70% of earnings
- 4%, the dividends are higher than 70% of earnings, which implies that the dividend coverage is not guaranteed.

**Earnings Rev. Trend**

The earnings revision trend represents the analysts' consensus and is based on their earnings per share revisions in the last seven weeks. To ensure reliable estimates, theScreener only analyzes titles that are covered by at least three analysts.
Revisions exceeding ±1% are interpreted as positive or negative earnings revision trends.

**Financials Rating**

Financials are rated on a three-level scale (positive, neutral, and negative). The overall rating is based on the subratings that take the mid- and long-term development into account as well as the industry average.

**Target Price**

The target price is an estimate of the stock's price in 12 months.

**LT PE**

This is the relationship between the price and the estimated long-term future earnings.

**LT Growth**

This is the estimated annual growth rate of future earnings, normally projected over the next two to three years.

**MT Tech. Trend**

The medium-term (40d) technical trend indicates the current trend, positive, neutral, or negative.
When a price falls to 1.75% above or below the technical trend, the MT technical trend is considered neutral.
Once the price breaks out of the 1.75% neutral zone, the MT technical trend will change to positive or negative.

**4-week (Relative) Performance**

This figure measures the dividend-adjusted performance of a stock relative to its national or regional index (compared to four weeks ago). As for an Index, it measures the net performance over 4 weeks.

**Bad News Factor**

To determine the "Bad News Factor" we analyze a stock's declines in rising markets. If a stock price falls while its relative index goes up, it can be assumed that the stock's performance has been affected by bad news - hence the name, "Bad News Factor".
Here a stock's movements are measured on a bi-weekly basis, during a sliding 52 week period. Every time a stock drops while its reference index rises, the difference is calculated in %, integrated into a yearly average and expressed in basis points.
The higher the "Bad News Factor," the more a stock has proven to be sensitive to bad news.
The lower the "Bad News Factor," the less the stock has proven to be sensitive to bad news.

**Bear Market Factor**

To determine the "Bear Market Factor" we analyze a stock's price movements in declining markets.
This is the analysis of the movements, in a bi-weekly intervals, during a sliding 52 week period.
The higher the "Bear Market Factor," the greater the probability a stock would drop when its relative index drops.
A "Bear Market Factor" that is strongly negative means the stock has been more resistant to losses in declining markets.

**Sensitivity**

Stock price developments are generally volatile and contain high risks that can result in a total loss. Based on a their historical behaviour, stocks are classified by sensitivity level. These sensitivity levels have to be considered solely in relative historical comparison to other stocks. Please note that even "Low Sensitivity" stocks are equities and therefore high risk investments that can lose up to all of their value, and that past performance is no indication of current or future performance.
"Sensitivity" is determined by measuring the "Bear Market Factor" and the "Bad News Factor" against its benchmark.
There are three grades of sensitivity levels:
- Low Sensitivity: The sensitivity indicators fall below the world reference average.
- Moderate Sensitivity: The sensitivity indicators are situated higher than the world reference average, but lower than standard deviation.
- High Sensitivity: The sensitivity indicators are at levels higher than standard deviation.

**Volatility**

Volatility measures the magnitude of upwards and downwards movements of a stock or index. The volatility 12 M shows the average volatility over the last 12 months.

**Beta**

Beta is a common measure of sensitivity. Where a Beta is greater than 100, the stock is more volatile than its reference index.

**Correlation**

Correlation is the degree of similarity in which a stock fluctuates in relation to its reference index.