HSI Week Ended February 17th, 2017

The Husson Stock Index (HSI) increased 1.34% from the week ended February 10th. The HSI on February 10th was 124.32 and is now 125.99. The HSI had a few big changes in the index this week. There were three significant increases, those being Bank of America, The Clorox Company, and Colgate-Palmolive. Bank of America (BAC) increased 6.24% from $23.08 to $24.52. Bank of America along with most of the other large banks in the U.S. are continuing to benefit from the presidential election results. The Clorox Company (CLX) increased 5.26% from $127.03 to $133.71. Clorox has been outperforming the market for the past few months which has intrigued investors. Colgate-Palmolive (CL) increased 6.29% from $67.72 to $71.98. There was one significant decrease which was WEX Incorporated (WEX). WEX Incorporated fell 6.94% from $119.28 down to $111.00. This was due to their reported decrease in earnings in 2016 from 2015.

Bank of America (BAC): Bank of America like other large United States banks have seen an increase in value due to Donald Trump being elected. Eshe Nelson of Quartz explains the success that U.S. banks have had since the election, “The combination of lighter regulation, tax cuts, higher interest rates, and a boost to fiscal spending is a powerful one for big banks’ balance sheets. As a result, investors have bid up the value of the six largest US banks’ shares by a whopping $280 billion since the election.”

The Clorox Company (CLX): The Clorox Company has seen a rise in its stock due their ability to outperform the rest of the soap and cleaning industry. This is explain by Zacks Equity Research, “Shares of consumer goods behemoth The Clorox Company CLX have jumped 5.6% since the company released robust second-quarter fiscal 2017 results. In fact, the company has been depicting a bullish trend for quite some time now, with its stock price up 13.1% in the last three months, outperforming the Zacks categorized Soap & Cleaning Preparations industry’s growth of 6.3%.”

Colgate-Palmolive (CL): We were unable to find any definitive articles regarding Colgate-Palmolive’s stock increase.

WEX Incorporated (WEX): WEX Incorporated fell in value because of the release of their earnings analysis from 2016. This is explained by CapitalCube saying, “The company’s year-on-year decline in earnings was influenced by a weakening in gross margins from 45.97% to 39.77%, as well as issues with cost controls. As a result, operating margins (EBITDA margins) went from 37.81% to 33.80% in this time frame. For comparison, gross margins were 45.97% and EBITDA margins were 37.81% in the previous period.”

The Husson Stock Index was developed by Marie Kenney, while a student at Husson University, in consultation with Associate Professor J. Douglas Wellington. The index is currently being tracked and analyzed by Husson student Justin Hallowell. The index tracks and analyzes 28 companies that are considered to have an effect on the Maine economy. These companies are either based in Maine or have an influence on the Maine economy through employment, number of consumers, and overall presence in the State. This price-weighted index offers a numerical break down of Maine’s economy. The analysis looks into the events of the week and finds the likely reasons the index was up or down. The index and analysis help provide a better understanding of Maine’s economy and offer an explanation of significant changes in the stock prices of the companies that comprise the Husson Stock Index.

Nelson, Eshe. Quartz. (2017, February 15). *Big US banks have gained $280 billion in market value since Trump’s election victory.* Retrieved From: <http://finance.yahoo.com/news/big-us-banks-gained-280-153813089.html>

Zacks Equity Research. (2017, February 13).*Clorox (CLX) Stock Up 5.6% Since Q2 Earnings: Here's Why.*Retrieved from: <http://finance.yahoo.com/news/clorox-clx-stock-5-6-132701939.html>

CapitlaCube. (2017, February 15). *WEX, Inc. :WEX-US: Earnings Analysis: 2016 By the Numbers : February 15, 2017.* Retrieved from: <http://www.capitalcube.com/blog/index.php/wex-inc-wex-us-earnings-analysis-2016-by-the-numbers-february-15-2017/?yptr=yahoo>