

### Argo Investments (ARG: \$A8.60)

Argo Investments strengthens above moving average price  
Wednesday January 13, 2021 16:00 AEST

Argo Investments Limited (ASX:ARG), Australia's 5th largest Diversified financials company by market cap, has increased 6.0c (0.7%) from its previous trading session to close at \$A8.60. Compared with the All Ordinaries Index which rose 14.8 points (0.2%) in the day, the relative price increase was 0.5%.

The 200-day Moving Average Price (MAP) is \$A7.54, up from \$A7.53 on Tuesday. The price to MAP ratio is 1.14.

There were 129,484 shares worth \$A1.1 million traded today. The volume was 0.5 times the average daily trading volume of 277,279 shares.

#### Figure 1: Stock Identifiers

<b>ISIN</b>	AU000000ARG4
<b>PermID</b>	4295856145

#### Fig 2: Stock Summary

<b>52-Week Range</b>	\$A5.34-\$A8.83
<b>Market Cap</b>	\$A6.2 billion
<b>Shares Outstanding</b>	720,271,707
<b>Relative Strength (3 mo)</b>	60

#### Fig 3: Technical Indicators

Name	Value	Comment
RSI	67.4	Neutral
MACD	0.1	Buy
William % R	-24.5	Neutral
CCI	126.5	Buy
MFI	75.5	Neutral

#### Fig 4: Moving Averages

Name	Value	Comment
P/MAP20	1.02	Price/MAP20 above 1 and rising
P/MAP50	1.05	Price/MAP50 above 1 and rising
P/MAP200	1.14	Price/MAP200 above 1 and rising

#### Fig 5: Financials Summary

Year ended Jun	FY2020	FY2019	FY2018
Sales (\$)	175.2M	245.3M	-
Pretax (\$ M)	168.1	238.6	180
Net (\$ M)	155.2	227.7	170.4
EPS (AUD)	0.28	0.41	0.31

### Bullish Signals

#### Uptrend

Today's Volatility:

- The 2.6% discount to 12-month high of \$A8.83 against the 60.9% premium to 12-month low of \$A5.34 suggests the stock continues to push for new highs.

Fig 6: Price/Moving Average Price and MACD:

- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 8.51 minus the 26-day EMA of 8.4 is positive suggesting a bullish signal. Both the 12-day EMA as well as the 26-day EMA are rising, another bullish signal.

- The price to 50-day EMAP ratio is 1.0, a bullish indicator. In the past 50 days this ratio has exceeded 1.0, 27 times suggesting further upside. The 50-day EMAP has increased to \$A8.23. An increase is another bullish indicator.

- The price to 200-day MAP ratio is 1.14, a bullish indicator. In the past 200 days this ratio has exceeded 1.14, four times suggesting further upside. The stock is trading above both its MAPs and the 50-day MAP of \$A8.21 is higher than the 200-day MAP of \$A7.54, a bullish indicator. The 200-day MAP has increased to \$A7.54. An increase is another bullish indicator.

Past Week:

- Argo Investments is placed 632/1639 in BuySellSignals' ranking of Australian performers in the past week, a percentile ranking of 62.

- In the past week, volume was 0.6 times average and the shares were up 1.1%.

Past Month:

- Rises to Falls: in the past month the number of rises outnumbered falls 11:7 or 1.6:1.

- The present value of AUD1,000 (PV1000) invested one month ago in Argo Investments is \$A1,014, for a capital gain of \$A14.

PV\$1000	1-week	1-month	1-year
ARG.ASX	1,011	1,014	1,027
All Ordinaries Index	1,011	1,016	991

Fig 7: High Price Performance Indicators and rank of Argo Investments in the Australian market:

Description	ARG Value	Rank In Market
MCap	\$A6.2 billion	In Top 6%
Today's Trading Turnover	\$A1.1 million	In Top 15%
Volatility %	1.5	In Top 17%

#### Undervaluation [compared with sector average]

Earnings Yield:

- Earnings yield of 3.3% is 3.0 times the 10-year bond yield of 1.09%.

Dividend Yield:

- The relative yield of ARG, defined by its yield of 3.5%, divided by average yield of dividend yielding stocks in the All Ordinaries Index of 3.0% is 116.7%. This suggests Argo Investments stock is undervalued in dividend yield terms.

Price to Book:

- Price to Book of 1.3 [2.5]. We estimate Argo Investments stock is trading at a current year Price to Book of 1.3 and a forward year Price to Book of 1.4.

MCap/Total Assets:

- Tobin's Q Ratio, defined as MCap divided by Total Assets, is 1.2. Compared with the rest of the market the stock is undervalued.