

## Xero (XRO: \$A90.69)

Xero drops 2.1%, underperforming 88% of the market, announces an increase of shares Thursday September 17, 2020 16:00 AEST

Xero Limited (ASX:XRO), Australia's 2nd largest Software & services company by market cap, has dropped \$A1.96 (2.1%) from its previous trading session to close at \$A90.69. Compared with the All Ordinaries Index which fell 77.7 points (1.3%) in the day, the relative price change was -0.9%.

In the Australian market of 1,512 stocks and 21 units traded today, the stock has a 14-day relative price strength of 12 indicating it has underperformed 88% of the market. A price fall combined with a low relative strength is a bearish signal.

There were 437,343 shares worth \$A39.7 million traded today. The volume was 0.7 times the average daily trading volume of 643,065 shares.

### TOTAL SHARES ON ISSUE

The company announced an increase of 3,612 shares (0.003%) in total shares on issue to 142,806,259 on September 15.

### Figure 1: Stock Identifiers

<b>ISIN</b>	NZXROE0001S2
<b>PermID</b>	4295885076

### Fig 2: Stock Summary

<b>52-Week Range</b>	\$A54.69-\$A103.48
<b>Market Cap</b>	\$A13 billion
<b>Shares Outstanding</b>	142,806,259
<b>Relative Strength (3 mo)</b>	32

### Fig 3: Technical Indicators

Name	Value	Comment
RSI	30.7	Neutral
MACD	-0.8	Sell
MFI	28.3	Neutral

### Fig 4: Moving Averages

Name	Value	Comment
P/MAP10	0.98	Price/MAP10 below 1 and falling
P/MAP20	0.94	Price/MAP20 below 1 and falling
P/MAP50	0.97	Price/MAP50 below 1 and falling

### Fig 5: Financials Summary

Year ended Mar	FY2020	FY2019	FY2018
Sales (USD M)	718.2	552.8	294.1
Pretax (USD M)	9.8	(23.1)	(17.3)
Net (USD M)	3.3	(27.1)	(18)

## Bearish Signals

### Downtrend

Fig 6: Price/Moving Average Price and MACD:

- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 93.48 minus the 26-day EMA of 94.32 is negative suggesting a bearish signal. Both the 12-day EMA as well as the 26-day EMA are falling, another bearish signal.
- The price to 50-day EMAP ratio is 1.0. The 50-day EMAP has decreased to \$A93.24. A decrease is a bearish indicator.

Past Week:

- Xero is placed 1148/1485 in BuySellSignals' ranking of Australian performers in the past week, a percentile ranking of 23.
- In the past week, volume was 0.7 times average and the shares were down 3.1%. Thursday's close price is at a 0.7% discount to its 5-day Volume Weighted Average Price (VWAP) of \$A91.32.

Past Month:

- The present value of \$1,000 (PV1000) invested one month ago in Xero is \$A987, for a capital loss of \$A13.

Relative Strength(6 months):

- In the Australian market of 1,512 stocks and 21 units traded today, the stock has a 6-month relative strength of 33 which means it has underperformed 67.0% of the market.

Short Selling:

- In the Australian Short Selling market of 902 stocks, short selling (on ASX and CHI-X) as a % of issued shares ranked 160th and within the top quartile of stocks, a bearish indicator.

### Overvaluation [compared with sector average]

MCap/Total Assets:

- Tobin's Q Ratio, defined as MCap divided by Total Assets, is 8.2. Compared with the rest of the market the stock is overvalued and ranks in the bottom 10% of stocks by value of Q Ratio.

Overvaluation Indicator and rank of Xero in the Australian market:

Description	Value	Rank In Market
Price to Sales	13.2	In Bottom 10%