

Codan (CDA: \$A14.63)

Codan loses \$A42 million (1.6%) in MCap, steepest heavyweight fall in Technology hardware & equipment sector Wednesday April 16, 2025 16:00 AEST

Codan Limited's (ASX: CDA \$A14.63) stock price dropped 23.0c (1.6%) from its previous trading session to close at \$A14.63.

Compared with the All Ordinaries Index which fell 8.2 points (0.1%) in the day, the relative price change was -1.8%.

It posted the steepest fall in MCap of \$A41.8 million with the most influence on the Technology hardware & equipment sector. Its MCap is \$A2.7 billion.

There were 280,550 shares worth \$A4.1 million traded today; the volume was 0.8 times the average daily trading volume of 334,227 shares.

Figure 1: Stock Identifiers

ISIN	AU000000CDA3
PermID	4295858635

Fig 2: Stock Summary

Market Cap	\$A2.7 billion
Shares Outstanding	181,555,390
EPS Growth (%)	18.4
Relative Strength (3 mo)	52

Fig 3: Technical Indicators

Name	Value	Comment
RSI	36.5	Neutral
MACD	-0.3	Sell
William % R	-53.0	Neutral
MFI	27.6	Neutral

Fig 4: Moving Averages

Name	Value	Comment
P/MAP20	0.96	Price/MAP20 below 1 and falling
P/MAP50	0.94	Price/MAP50 below 1 and falling
P/MAP200	0.98	Price/MAP200 below 1 and falling

Fig 5: Financials Summary

Year ended Jun 30	FY2024	FY2023	FY2022
Sales (\$ M)	347.4	288.1	319.5
Pretax (\$ M)	66	52.2	85.6
Net (\$ M)	51.4	42.8	63.6
EPS (AUD)	0.45	0.38	0.557

EPS up 18.4% to 45.0c in FY2024 [y.e. 30 Jun 2024]

Net profit was up 20.1% from \$42.8 million in FY2023 to \$51.4 million in FY2024. Earnings Per Share (EPS) was up 18.4% from 38.0c in FY2023 to 45.0c in FY2024.

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 14.71 minus the 26-day EMA of 15.0 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. In the past 200 days this ratio has been under 1.0 16 times suggesting downside. The 50-day EMAP has decreased to \$A15.27. A decrease is another bearish indicator.
- The price to 200-day MAP ratio is 0.98. In the past 200 days this ratio has been under 0.98 just four times suggesting a support level.

Relative Strength(6 months):

- In the Australian market of 1,404 stocks traded today, the stock has a 6-month relative strength of 55 which means it has outperformed 55% of the market.

Overvaluation [compared with sector average]

Earnings Yield:

- Earnings yield of 3.1% is below the 10-year bond yield of 4.41%.

Dividend Yield:

- The relative yield of CDA, defined by its yield of 1.7%, divided by average yield of dividend yielding stocks in the All Ordinaries Index of 3.9% is 43.4%. This suggests Codan stock is overvalued in dividend yield terms.

Price to Sales:

- Price/Sales of 4.8 [2.3].

Price to Book:

- Price to Book of 24.6 [9.9].

MCap/Total Assets:

- Tobin's Q Ratio, defined as MCap divided by Total Assets, is 3.5. Compared with the rest of the market the stock is overvalued and ranks in the bottom quartile of stocks by value of Q Ratio.

Overvaluation Indicators and rank of Codan in the Australian market:

Description	Value	Rank In Market
Dividend Yield %	1.7	In Bottom 15%
Price/Earnings/Growth	1.76	In Bottom 15%
Price/Earnings	32.5	In Bottom 17%