

Dominos Pizza Enterprises (DMP: \$A152.59)

Dominos Pizza Enterprises loses \$A359 million (2.6%) in MCap, steepest heavyweight fall in Consumer services sector

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Dominos Pizza Enterprises Limited (ASX:DMP), Australia's 2nd largest Consumer services company by market cap, has dropped \$A4.15 (2.6%) from its previous trading session to close at \$A152.59. Compared with the All Ordinaries Index which fell 10.4 points (0.1%) in the day, the relative price change was -2.5%.

Today its volatility (highest price minus lowest price/lowest price) of 4.8% was 1.7 times its average daily volatility of 2.8%. The high for the day was \$A157.31 and low for the day was \$A150.14.

It posted the steepest fall in MCap \$A359.1 million with the most influence on the Consumer services sector. Its MCap is \$A13.2 billion.

There were 253,414 shares worth \$A38.7 million traded today. The volume was 0.9 times the average daily trading volume of 268,226 shares.

Figure 1: Stock Identifiers

ISIN	AU000000DMP0
PermID	4295856495

Fig 2: Stock Summary

52-Week Range	\$A71.67-\$A157.31
Market Cap	\$A13.2 billion
Shares Outstanding	86,523,365
EPS Growth (%)	18.4
Relative Strength (3 mo)	90

Fig 3: Technical Indicators

Name	Value	Comment
RSI	80.0	Sell
MFI	78.4	Neutral

Fig 4: Financials Summary

Year ended Jun	FY2020	FY2019	FY2018
Sales (\$ M)	897.7	775.5	614.2
Pretax (\$ M)	147.5	115.5	126.5
Net (\$ M)	100.4	84	88
EPS (AUD)	1.61	1.36	1.394

Bearish Signals
Overvaluation [compared with sector average]

Earnings Yield:

- Earnings yield of 1.1% is below the 10-year bond yield of 1.15%.

Dividend Yield:

- The relative yield of DMP, defined by its yield of 1.1%, divided by average yield of dividend yielding stocks in the All Ordinaries Index of 3.9% is 29.5%. This suggests Dominos Pizza Enterprises stock is overvalued in dividend yield terms.

Price to Sales:

- Price/Sales of 10.7 [4.2].

MCap/Total Assets:

- Tobin's Q Ratio, defined as MCap divided by Total Assets, is 5.3. 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 Dominos Pizza Enterprises in the Australian market:

Description	Value	Rank In Market
Price/Earnings	94.8	In Bottom 1%
Price/Earnings/Growth	5.16	In Bottom 6%
Dividend Yield %	1.1	In Bottom 11%
Price to Sales	10.7	In Bottom 15%

Overbought/Bearish Signals:

- The Relative Strength Index (RSI) of 80.0 has penetrated the overbought line of 70, suggesting the price gain of 80.0% in the last 14 days is unusually high.

- The stock is overbought according to the Williams % R indicator of -14.2, suggesting the price is close to its 14-day high of \$A157.31.

- The Stochastic indicator of 97.2 has broken through the overbought line of 80; this indicates the price is close to its 14-day high and is likely to revert to a downtrend.

Short Selling:

- In the Australian Short Selling market of 1158 stocks, short selling (on ASX and CHI-X) as a % of issued shares ranked 127th and within the top quartile of stocks, a bearish indicator.