

TECHNICAL ANALYSIS

Technical Analysis on Walt Disney Co | May 24, 2019

VRS (Valuation & Research Specialists)

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Stock Price: \$132.78

[Bloomberg Ticker: DIS:US]

[Reuters Ticker: DIS.N]
US Equities

Listed on N.Y.S.E., U.S.A.

Business Sector / Industry: Communications / Media & Entertainment

WALT DISNEY Key Data (as of May 24, 2019)

52-Week High-Low, \$	139.92 - 107.79	P/E	18.95x
Number of Shares (mn)	1,798	Beta Co-efficient	0.86
Market Cap (in \$ mn)	238,68	3-Month Avg Volume	15,522,633

Financial Statements Data

Amounts in mn \$	2018	2017	Change (%)
Revenue	59,434	55,137	7.79%
Gross Profit	26,708	24,831	7.56%
EBITDA	17,848	16,655	7.16%
Net Profit	12,598	8,980	40.29%

Financial Highlights & Investment Considerations

- The Walt Disney Company (DIS) is an American multinational company, founded in 1923 and based in Burbank, California, USA. It operates in four business segments: Media Networks, Parks Experiences and Products, Studio Entertainment, and Direct-to-Consumer networks and channels with a total number of 201,000 employees. The company has been listed on the New York Stock Exchange since 1957 and it has been constituent of the Dow Jones Industrial Average Index since 6 May 1991, the S&P 500 Index and the S&P 100 Index.
- On 14 December 2017, The Walt Disney Company declared plans to acquire 21st Century Fox, which includes 20th Century Fox, for \$52.4 billion. In May 2018, it was reported that Comcast was planning to overbid Disney and that happened on 13 June 2018 as Comcast officially announced its \$65 billion offer for the Fox assets. One week later, Disney came back with a \$71.3 billion offer leading Comcast to officially announce the withdrawal of its bid. On 27 July 2018, Disney and Fox's shareholders approved the merger between the two companies whereas the completion of the deal was finalized on 20 March 2019. On 11 April 2019, DIS provided an extensive overview of its comprehensive direct-to-consumer strategy and presented its upcoming service "Disney Plus", with its launch in the U.S. market expected on 12 November 2019, at USD 6.99 per month. On 3 May 2019, Sinclair Broadcast Group and Disney released that they have entered into a definitive arrangement under which Sinclair will get the equity interests in 21 Regional Sports Networks and Fox College Sports, which were acquired by Disney in its acquisition of 21st Century Fox. On 14 May 2019, the Company entered into an agreement with Comcast in order to take over full operational control of Hulu, in return for Disney and Comcast moving into a "put/call" agreement concerning NBC Universal's 33% equity interest in Hulu.

Graph Analysis and Technical View



In the last 3 months, it can be observed that there was a bullish trend on Disney's stock price which has been fluctuated between the support level of \$108.66 and the resistance level of \$137.24. Meanwhile, it exceeded the Bollinger Band area twice but on the other, it quickly returned back within a short period of time. During the period from February 24th to April 11th, the stock showed low volatility and moved slightly upwards, while the indicators, RSI and MACD, were on neutral positions. On April 12th, a bullish movement emerged since the MACD crossed above the Signal Line at the beginning of month, a movement that was further supported by the relatively high daily volume. The trend lasted until April 29th when DIS reached a peak. On April 30th, RSI crossed below the 80-line indicating a reversal movement of the price while on May 17th, the stock price crossed below the 20-day Moving Average, confirming the downtrend. However, during the last trading sessions, the transaction volume has been relatively low indicating a potential reverse of the above movement.

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Walt Disney Co Stock versus S&P 500 (Period May 2018 – May 2019)

