

Figure 1: Stock graph shows the stock's trend

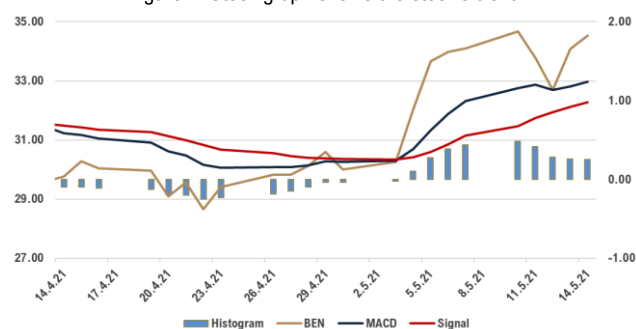


Figure 2: MACD indicates a potential buy signal

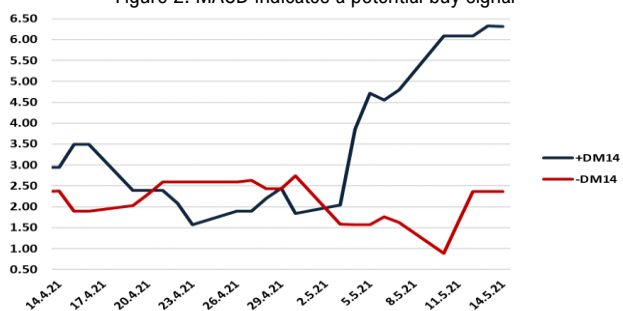


Figure 3: +DMI14 crosses over -DMI14



Figure 4: Candle Bar Chart

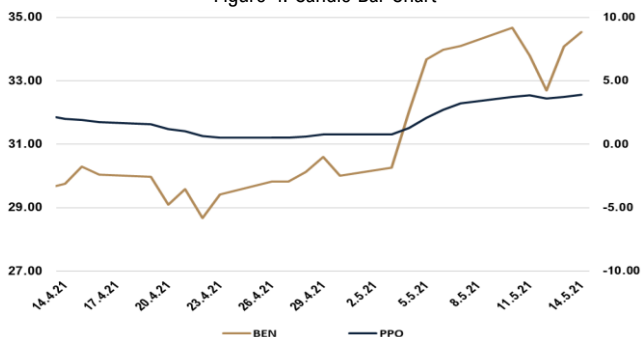


Figure 5: PPO above the zero line

Firm's Brief Description

Franklin Resources, Inc. is a holding company. The Company, along with its subsidiaries, operates as Franklin Templeton Investments. It is a global investment management company that provides investment management and related services to retail, institutional and high net-worth clients in jurisdictions around the world. The Company offers its investment products and services under the Franklin, Templeton, Franklin Mutual Series, Franklin Bissett, Fiduciary Trust, Darby, Balanced Equity Management, K2 and Liberty Shares brand names. Its products include investment funds and institutional, high net-worth and separately managed accounts (collectively, sponsored investment products (SIPs)). It offers various types of SIPs, such as the United States funds, cross-border funds, local/regional funds, and other managed accounts, alternative investment products and trusts. Its investment funds include the United States-registered funds, non-United States-registered funds and unregistered funds.

Fundamental Approach

- Company's operating revenue in Q2 rose by 4% at 2.08 billion dollars Q/Q and by 58% Y/Y.
- The BEN stock gained 1.1% after the Q2 financial reports release due to the rise in earnings and revenue.
- AUM increased in 30th of April to 1.52 trillion dollars as compared to 1.49 trillion in 31st of March.
- Franklin Resources Inc. has a leverage ratio of 2.07 which is less than the 10.32 of the industry.

Technical Analysis

According to Figure 1, the 10-day MA crossed above the 20-day MA providing a potential buy signal of the BEN stock. In Figure 2, MACD crossed above the signal line while it grew sharply, indicating a bullish trend. Furthermore, the +DMI14 surpassed the -DMI14 on May 2nd, demonstrating a potential bullish trend on the stock. The positive changes in the BEN stock were more than the negative ones as it is shown in the Candle Chart of Figure 4. Lastly, the PPO depicted in Figure 5, showed an up-trend, increasing above the zero line on May 2nd, pointing out a buy signal as well.

Prediction

Taking into account the technical analysis above and the positive momentum of the stock, our recommendation is a long position in the BEN stock. This prediction is further supported by the news regarding the positive changes in company's revenues and earnings in Q2 of 2021 and the bullish trend of the stock.

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