

Figure 1: Stock graph shows the up-trend



Figure 2: Candle chart shows the surplus of positive changes

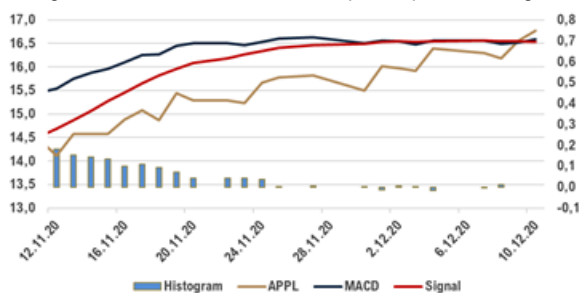


Figure 3: Histogram converges towards the baseline, potential buy

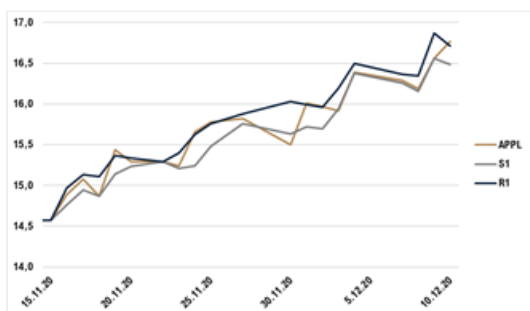


Figure 4: Shows the resistance and support levels

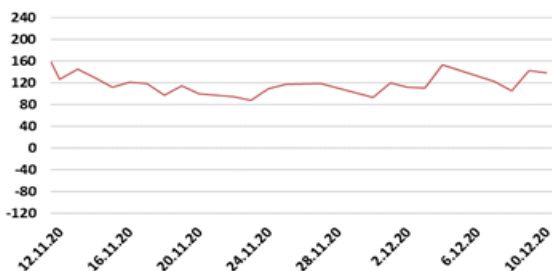


Figure 5: CCI indicates a potential buy signal

Firm's Brief Description

Fiat Chrysler Automobiles N.V. is engaged in designing, engineering, manufacturing, distributing and selling vehicles. Its segments include regional mass-market vehicle segments, which include NAFTA (The North American Free Trade Agreement), LATAM (Latin America), APAC (Asia-Pacific) and EMEA (Europe, the Middle East and Africa), Maserati, its luxury brand segment, and a global components segment. It designs, engineers, manufactures, distributes and sell vehicles for the mass-market under the Abarth, Alfa Romeo, Chrysler, Dodge, Fiat, Fiat Professional, Jeep and Ram brands and the street and racing technology (SRT) performance vehicle designation. For its mass-market vehicle brands, it has centralized design, engineering, development and manufacturing operations. It also designs, engineers, manufactures, distributes and sells luxury vehicles under the Maserati brand. It operates in the components and production systems sectors under the Teksid and Comau brands. (Source Reuters)

Fundamental Approach

- Compared to an average industry Price/Earnings Ratio of 23.70, FCAU is valued rather cheaply. On top of this FCAU is cheaper than 89% of the companies listed in the same industry
- Compared to an average Enterprise Value to EBITDA ratio of 12.45, FCAU is valued rather cheaply. On top of this, FCAU has a better ratio than 100% of the companies listed in the same industry.
- The EPS growth is accelerating: in the next 2 years the growth will be better than in the last years.

Technical Analysis

As shown in Graph 1, there is a clear up-trend throughout the examined period (13/11/2020 – 10/12/2020). There were three secondary movements. The Candle-chart depicts a large majority of positive days compared to negatives. Figure 3 indicates a potential Buy signal as the histogram converges towards the baseline. Figure 4 supports the fact that no clear support or resistance levels were formed, with average, maximum and minimum price at 15.37, 16.77 and 13.95 respectively. St. Dev. was at 0.79. In figure 5 CCI also indicates a potential Buy signal as the line is formed at 139.12, way above the 100 limit.

Prediction

Considering the general bullish trend, the accelerating growth, the underbought stock of FCAU and the above-mentioned technical indicators, our research team suggests a potential buy signal.

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