

Figure 1: The Main Graph shows the stock's trend

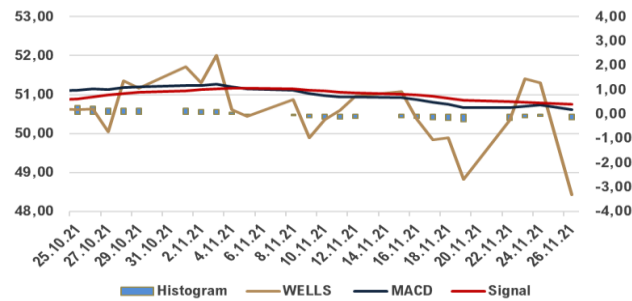


Figure 2: MACD indicates a potential sell signal.



Figure 3: The Candle Chart shows more negative changes than positive ones.

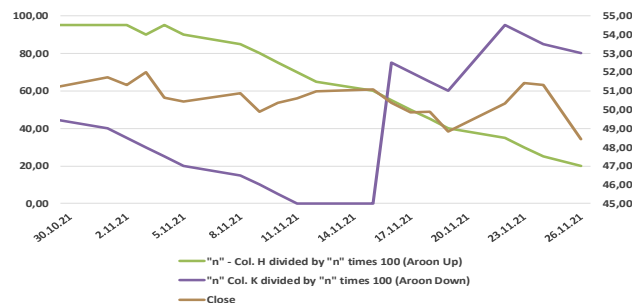


Figure 4: Aroon Down crosses above Aroon Up.

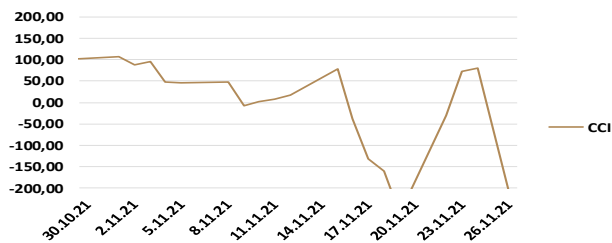


Figure 5: CCI Indicator drops below + 100 level.

## Firm's Brief Description

Wells Fargo & Company is a bank holding company. The Company is a diversified financial services company. The Company provides banking, investment and mortgage products and services, through banking locations and offices, the Internet and other distribution channels to individuals, businesses and institutions in states, the District of Columbia and in countries outside the United States. The Company provides consumer financial products and services including checking and savings accounts, credit and debit cards, and auto, mortgage and home equity, and small business lending. It provides other offer financial planning, private banking, investment management, and fiduciary services. The Company also provides financial solutions to businesses through products and services including traditional commercial loans and lines of credit, letters of credit, asset-based lending, trade financing, treasury management, and investment banking services.

## Fundamental Approach

- The bank proceeds to a \$37.3 million payment for the overcharge of commercial clients on foreign exchange services.
- Wells Fargo & co is still facing problems and delays dealing with regulators as a result of its 2016 fake-accounts scandal.
- The company announced a net income fall by 16.65% in Sep'21 as compared to Jun'21.

## Technical Analysis

During the last month (26/10-26/11) Wells Fargo stock's performance decreased by 4.25%. According to Figure 1, the 20-day MA crossed above the 10-day MA providing a potential sell signal. Furthermore, MACD crossed below the signal on November 5<sup>th</sup> indicating a bearish trend of the stock. The Candle Chart shows more negative changes than positive ones, further supporting the bearish trend. In Figure 4, Aroon Down crosses above Aroon Up on November 16<sup>th</sup> indicating a downtrend. Lastly, CCI dropped below +100 on November 2<sup>nd</sup> providing a sell signal.

## Prediction

Considering the recent downward stock trend combined with the latest news about the restrictions that are imposed because of the previous immoral practices of the company a short position is recommended. This position is further supported by the technical analysis provided above, as the figures cited in this report indicate a bearish path of the Wells Fargo & Co stock.

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