



AGILISCAPITIS

Securities Pricing and Analysis Techniques

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General Methodologies

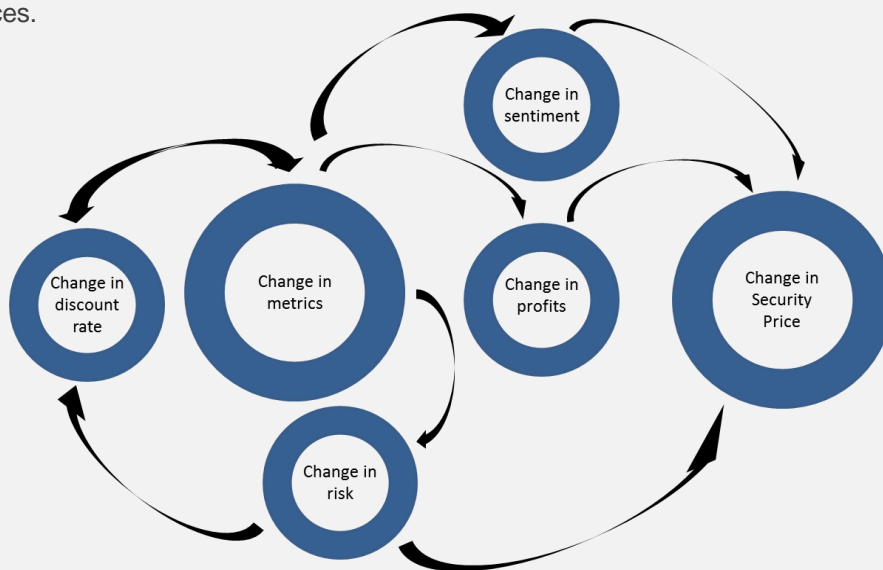
The pricing of securities falls into two different methodologies, Fundamental Analysis and Technical Analysis.

Generally investment managers fall in the camp of using fundamental analysis to price securities. It assumes that the market is not efficient and those managers that have specific skills in the industries and securities that they follow can identify a missed priced security and outperform the rest of the market.

Technical analysis assumes that markets are efficient at reflecting information in securities prices and instead focuses on statistical analysis on behavioural economics to predict the direction of security prices.

Fundamental Analysis

Fundamental analysis is a method of measuring a security's intrinsic value by examining related economic and financial factors to determine the fair value of a security. This includes anything that can affect the security's value, from macroeconomic factors such as the state of the economy and industry conditions to microeconomic factors like the effectiveness of the company's management. The objective is to analyse the value of the security to determine if it is undervalued or overvalued.



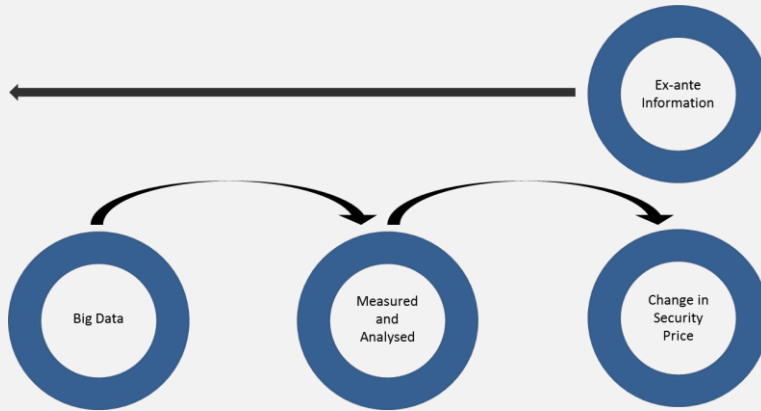
Fundamental analysis involves analysing a combination of:

- Qualitative information – information that is intangible in nature and more subjective. This might include management quality, competitive advantage, corporate governance, technology, etc.
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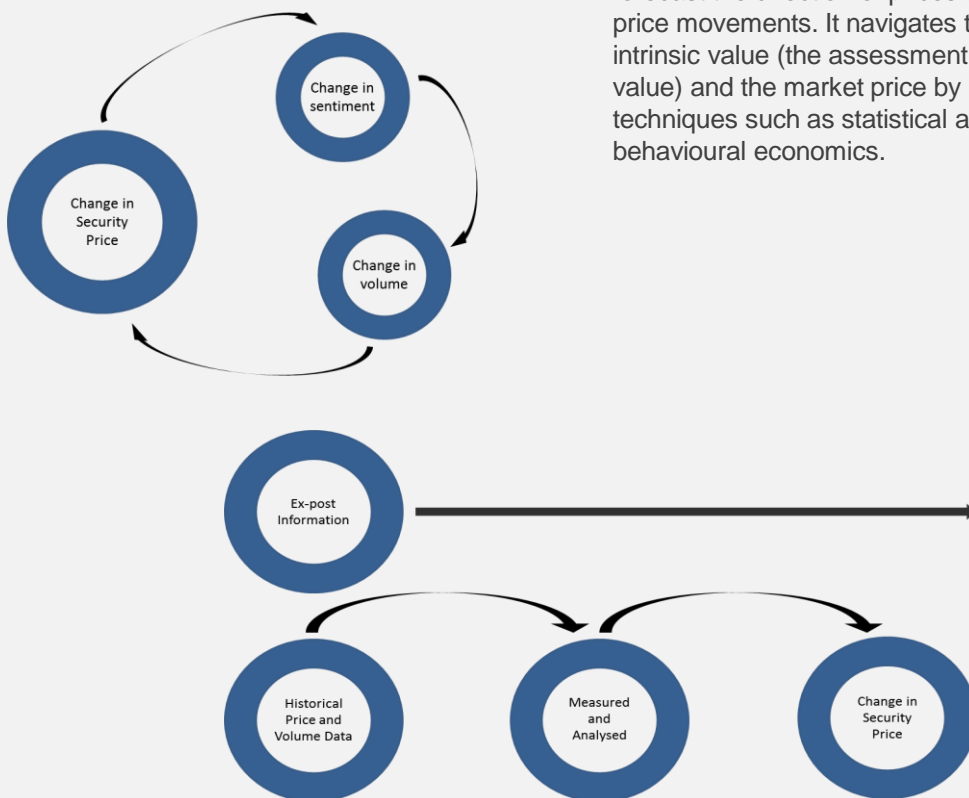
For this reason fundamental analysis is subjective in nature as each investor will determine different values for the securities using the same information.



Technical Analysis

Technical analysis assumes that the analysis of new information and its impact on prices of a security is efficient.

Technical analysis studies the behaviour of the market and the market participants. It is focused on analysing the historical prices and volume to forecast the direction of prices to predict future price movements. It navigates the gap between intrinsic value (the assessment of the security value) and the market price by leveraging on techniques such as statistical analysis and behavioural economics.



AGILIS CAPITIS – ABOUT US



“Just because we have identified a mispriced security does not mean that the market has.”

Agilis Capitis is a specialist Australian equities manager that is focused on active management to generate alpha returns for its investors.

It uses a combination of technical algorithmic and fundamental analysis to:

- Identify mispriced securities; and
- Confirm the mispricing by analysing shifting market sentiment.

Using algorithmic strategies allows for the coverage of a greater number of securities, providing a faster reaction time while removing the emotion from decision making. It improves the timing and reduces the error rate.



“The market can remain irrational longer than you can remain solvent.”

John Maynard Keynes



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