



Securities Analysis - Evening

Participants learn how to apply fundamental analysis to stocks and fixed income securities.

Available Session(s):

09-Sep-2008 -- 18-Nov-2008 New York USD \$2275

NY Institute of Finance - 5:30pm - 8:00pm Tue
Midtown

Instructor(s):[Robert Rossetti;]

Targeted Audience

Research assistants, sales staff, financial planners, investment analysts, new portfolio managers and others involved in investment decisions.

Special Offer

Clients who register for this course will receive a complimentary 6 month subscription to the Financial Times and FT.com. The Financial Times is the world's most respected financial newspaper, providing a broad assessment on finance, business and the industrial sector. Subscriptions will start within 6-8 weeks of the application process and are limited to one per client. For questions about your subscriptions call 800-628-8088 or email uscirculation@ft.com. US and Canada enrollees only.

Advance Preparation

No advance preparation required.

Prerequisites

Financial calculator required.

Learning Objectives

Students will be able to:

- Comprehend the investment environment
- Understand financial reports

- Apply of financial statement ratios
- Find reality in reported earnings
- Forecast financial statements
- Understand determinants of return on equity
- Understand credit analysis
- Understand valuation of securities
- Perform technical analysis

Alumni Comments

"The instructor was very knowledgeable and easy to understand."

"The instructor mapped out seemingly difficult material very well."

Follow-Up Courses

Portfolio Management Suite

Wealth Management Program

Level: Basic

CPE Credits: 25.0

Instructional Method: Group-Live

Detailed Outline

SESSION 1: Introduction

Analysis: definition and role in securities valuation

- Alternate approaches to securities valuation
- Scope and limitations of securities analysis

Equities securities analysis

- Technical analysis
- Quantitative analysis
- Top-down fundamental analysis

Comparison between the types of analysis

- Use and users
- Empirical evidence

Specific applications of fundamental analysis

SESSION 2: Financial Accounting and Securities Analysis

Role of accounting statement information in investment decisions

- Generally Accepted Accounting Principles (GAAP)
- Formal definitions and practical interpretations

Financial statements

- Balance sheet
- Types of financial statements
- How the financial statements relate to one another

Related Disclosure and Issues

- Using financial statements in securities analysis
- Common sized statements
- Index number (trend) statements

- Discount rate / risk premium
- Earnings (dividends) / growth rate

- Ration analysis

SESSION 3: Profits and Cash Flow

Income statement measures of profit

- What do they mean?
- Measures of profitability: definitions and interpretations
- Analysis of profitability measures

Cash flow

- Role of cash flow in securities analysis
- Computation of cash flow
- Statement of cash flows

SESSION 4: Analysis of Profitability and Return

Profitability analysis

- Profit margin: gross, operating and net
- Related cost and profit issues
- Break even analysis
- Operating leverage

Return on investment

- Return on assets (ROA)
- Return on equity (ROE)
- Impact of financial leverage
- Dupont method

SESSION 5: Economic Analysis

Role of economic analysis in security analysis

- Connection between the real economy and the financial markets
- Economic variables and securities valuation

Macroeconomic analysis

- Aggregate supply and demand
- Business cycles and the financial markets
- Economic variables and the securities valuation

Microeconomic analysis

- Firm and industry cost and revenue curves
- Industry structure

SESSION 6: Competitive analysis

Rivalry among existing competitors

- Threat of new students
- Bargaining power of buyers, suppliers
- Bargaining power of suppliers

Industrial/product life cycle theory

- Pioneering development
 - Stabilization and market maturity
 - Deceleration of growth and decline
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SESSION 7:

Earnings and earnings per share (EPS)

- Concept of earnings
- Measuring earnings
- Earnings quality
- Earnings projections

SESSION 8:

Asset pricing and risk

- Classical measures of risk
- Modern Portfolio Theory - standard deviation of return
- Capital Asset Pricing Model - Synthetic risk (beta)

Modern portfolio theory

- Risk
- Efficient portfolios/frontier

Capital Asset Pricing Model (CAPM)

- Model specifications
- CAPM and the index model
- Arbitrage pricing model

SESSION 9:

General Considerations

- Earnings/net revenues/cash flow
- Risk - discount rate including an equity risk premium

Asset-based versus earnings flow-based approaches

- Liquidation value
- Return on equity (ROE)
- Earnings/cash flow-based methodologies

Company analysis

- Position within industry
- Financial statement analysis
- Interpreting financial statements and ratios

SESSION 10:

Price/earnings ratios

- Variants - historic/trailing versus forecast/forward p/e ratios
- Factors influencing market/stock valuation multiples

Other common stock valuation ratios

- Cash flow multiples
- Sales multiples
- Book value multiples

Dividend discount models

- Stock reflects present value of dividends
- Variants
- Considerations

Scheduling Note

The course session beginning on January 21, 2008 will meet twice per week, on Tuesday and Thursday evenings. There will be no class session on Tuesday, September 30, 2008.

For more information regarding administrative policies such as complaints and refunds, please contact our offices at 212-641-6616.