Stock Market Analysis: Toyota Motor Corp., Facebook Inc., Amazon Inc., Tesla Inc., Apple Inc.

Toyota Motor Corp.

Description

Toyota motor corporation has been founded since 1937 and since then it has been affirmed with great fortune. Toyota motor corporation's stock's trading range has been reasonably steady, moving between $111 and $138 over the past 60 weeks. Moreover, from those numbers, you can see that Toyota motor corporation stock has had a stable year, shares are up approximately 17% in 2019. On top of that, Toyota motor corporation pays a 2.9% dividend yield, which is moderately reliable in today's unusually long term of rock-bottom interest rates. the company has around 190 billion market cap, the Japanese company is not facing existential dangers every time the market hits a bump. As a competitive field Toyota motor corporation has been having pretty stable finances which will be a kind of safe investment for non-risk takers investors.

Risks

Toyota's services are directed to currency and interest rate variations:

Toyota's financial statements are presented in Japanese Yen, which is controlled by foreign currency exchange variation. (2019)

High costs of raw materials could negatively influence Toyota's profitability:

Increasing raw material prices that Toyota is using to produce its products are driving to more expensive production costs which will negatively influence the company's profitability. Also, Toyota may not be able to pass those expenses to its customers. (2019)

The downturn in the financial markets could skeptically affect Toyota's capacity to raise capital:

If Toyota is incapable to raise the required capital on a timely basis due to the economy's situation, Toyota's financial position may be affected. (2019)

Buying & end price

15 stocks have been bought at a $144.49 per price in a total of $2,129.55 on Nov 13 and been observed for a week. After a week, the company had an end price of $141.97 which indicates that the company has a decreased stock price due to the lower end price compared to the purchasing price.

Gain & lose

The company showed a total loss of $37.80 after a week from purchasing the stocks.

Facebook Inc.

Description

Since the drop in the border market in December 2018, Facebook Inc. has shown and an extraordinary revival and the stock is up almost 30%. Facebook Inc. is now the eighth largest public company in the world. Moreover, this rapid growth and doubled numbers make Facebook Inc. a safe investment. (InvestorPlace', 2019)

Risks

Drop-in Sharing:

Facebook users are posting less and less original content. Users are sharing news and information rather than personal stories. Therefore, posting and sharing of original posts have decreased by 21 % in the last year with a total sharing drop of 5.5%.

Valuation:

Facebook Inc. stock purchases at 85 times profits and 26 times forward earnings, and an enormous 18 times sales. Facebook still can grow but the market is expecting too much. Failure to keep up with this growth and the low capacity to reach the market expectations will disturb Facebook Inc. stock.

Facebook has assigned a lot of stock to finance its acquisitions:

The event that Facebook's core product will be removed creates a need for diversification, so the company’s efforts to expand its base have come by acquisition by paying $18 billion out of $22 billion by stocks. As a result, Facebook has increased its total shares by 30.39%.

Buying & end price

The buying price was $194.70 for 12 stocks in total was $2,387.64, while ending price after a week was $198.97 which shows an increase in Facebook’s stock price.

Gain & loss

The company showed gain by $51.24 after a week from purchasing the stocks.

Amazon. Com Inc.

Description

Amazon Inc. has begun its online e-commerce since 1990. The company has been in accelerated growth ever since. Most of Amazon sales are caused by its enormous online shopping platform, which sells almost all types of products. Amazon Inc. Has been in rapid

growth mode due to a long series of earnings that modified the company from an intermittently profitable company to one important large-cap earnings growth stocks. In 2018, Amazon recorded revenue of $232.9 billion, 31% higher than in 2017. Moreover, Amazon stock has grown 21% in 2019 and 457% over the last five years

Risks

Competition:

Competition is the most striking risk Amazon Inc. is facing at the moment. The commodities retail industry is remarkably competitive and involves various competitors such as Walmart Stores, Inc., Costco Wholesale Corporation and Target Corporation. ('The Biggest Risks of Investing in Amazon Stock', 2019)

Profit Uncertainty:

Amazon Inc. has the pricing power to make the returns required to sustain the continuous investments in expansion. Amazon works with very narrow profit margins and has not provided net profits over the past five years. For some investors, these concerns are certified by Amazon’s former investments in failed projects such as a left venture into the smartphone market. ('The Biggest Risks of Investing in Amazon Stock', 2019)

Moderate Revenue Growth:

Rapid growth is regularly challenging to maintain as the base level grows each year, which needs a moderate growth rate. If revenue and earnings do not present maintained high rates of expansion in the future, Amazon’s valuation will prove to be unverified. Thus, moderate revenue growth should be taken seriously for potential investors. ('The Biggest Risks of Investing in Amazon Stock', 2019)

Purchasing & end price

The purchasing price was $1,773.39 for 1 stock, while the end price was $1,796.94 which indicates a noticeable increase in one week for the stock price.

Gain & loss

Amazon Inc. showed a gain in the stock's portfolio by $23.55 after one week from purchasing the stock.

Tesla Inc.

Description

Tesla Inc. allocates in the production, design, development, and sale of electric vehicles. The constant growth of the China trade war hurt the business, and Tesla's quarter two earnings record in July also became a failure as the company posted larger-than-expected losses. As a result, Tesla's stock price dropped by 10%.

Risks

Competition:

Tesla is not the first company to build electric cars. It has two important competitors, the Nissan Leaf and the Chevrolet Bolt. Furthermore, other companies preparing to enroll in the electric car business in the following years, including BMW, Ford, Mercedes-Benz, Volkswagen, and Subaru. If this occurs, then Tesla's market share may begin to get pushed. ('6 Big Risks of Investing in Tesla Stock', 2019)

Part-Time CEO:

Tesla over-relies on its part-time CEO Elon Musk who does not give his full time to Tesla Inc. because of his many other responsibilities is putting the company in a critical position. Moreover, the company does not have a ‘plan B’ in case Elon Musk cannot give enough time to manage the company, which also concerns investors wither they should invest in Tesla or not. ('6 Big Risks of Investing in Tesla Stock', 2019)

Tesla Cars are expensive:

Even though the government incentives to help the company to keep going such as tax breaks. Tesla Inc. still has high price tags on their products which various people still cannot afford. Also, Tesla’s high-cost production cannot allow them the reduce their prices as the company loses approximately $14,000 on every one of the Model 3 vehicles it sells. ('6 Big Risks of Investing in Tesla Stock', 2019)

Purchasing & end price

Tesla's purchasing price was $355 per stock. 6 stocks were purchased for a total value of $1,973.52. While the ending price was $328.92 after one week of buying the stocks.

Gain & loss

The company illustrated a loss valued by $156.48 due to the sharp decline in the stock price.

Apple Inc.

Description

Apple stock declined 10% at the beginning of 2019 as CEO Tim Cook informed Wall Street that the iPhone-maker’s vacation quarter was weaker than anticipated. By the beginning of November, Apple stock was higher by 57% on the year-end. And its current quarterly results to strike consensus expectations for both profits and earnings per share (EPS).

Risks

Trade conflict with China:

Apple creates a notable amount of its revenue from the Greater China region. The progressive

trade conflict between the U.S. and China is affecting the company's financial situation in China which investors should be concerned about. (StockNews.com', 2019)

Smaller smartphone market:

Apple does not compete in the low end of the smartphone market due to its high prices. While the overall market is not a fast-growing market. Apple initiated to become a smaller division of the overall market. This a risk to be considered by investors. (StockNews.com', 2019)

Competition

Apple has a strong competitive market facing trouble from Huawei a China-based company, that could exceed apple due to the trade conflict between the US and China, besides many other competitors. (StockNews.com', 2019)

Purchasing & end price

The purchasing price was $261.13 per stock and a total value of purchased 5 stocks equals $1,321.45 and an end price equals $264.29. The ending price showed an increase compared to the purchasing price.

Gain & loss

The company showed a gain of $15.80 after one week of purchasing the stocks.

Overall portfolio performance

The portfolio showed a total loss of $103.69. The main reason is the huge loss in Tesla Inc. with a -$156.48. Companies should be well searched before investing in any. Also, another company other than Tesla Inc. should have been chosen with a more stable financial position to have the chance to get profits. Tesla Inc. was a risky investment and this was the mistake that should have been changed.

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