

## TECHNICAL ANALYSIS

# Technical Analysis on Facebook Inc | October 18, 2019

**VRS (Valuation & Research Specialists)**  
 VRS Research Team | Analysts:  
 Mygdala Eleni, Papadopoulou Olga  
 info@vrs.gr ; info@valueinvest.gr

**Stock Price: \$186.11**

[Bloomberg Ticker: FB:US]  
 [Reuters Ticker: FB.OQ]  
 US Equities

Listed on NASDAQ GS, U.S.A.

Business Sector / Industry: Communications / Media & Entertainment

### Facebook Inc Key Data (as of October 18, 2019)

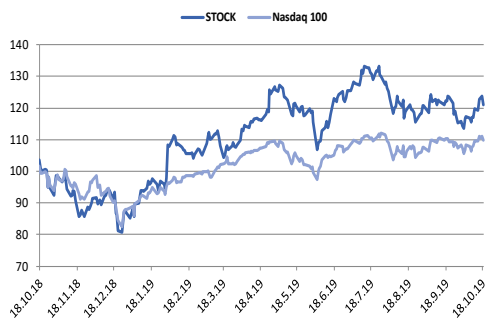
52-Week High-Low (in \$)	204.87-124.06	P/E	18.17
Number of Shares (mn)	2,852.95	Beta Co-efficient	1.12
Market Cap (in \$ mn)	530,963	50-day Avg. Volume	12,537,647

### Financial Statements Data

Amounts in mn \$	2018	2017	Change(%)
Revenue	55,838	40,653	37.35%
Gross Profit	46,483	35,199	32.06%
EBITDA	29,228	23,228	25.83%
Net Profit	22,112	15,934	38.77%

Financial Ratios	2018	2017	Change (%)
Liabilities / Equity	0.16	0.14	14.69%
ROA	0.23	0.19	20.51%
ROE	0.26	0.21	22.64%
WC ratio	7.19	12.92	-44.30%
Asset Turnover ratio	0.57	0.48	19.28%

### Facebook Inc. Stock versus Nasdaq (Period Oct 2018 – Oct 2019)



### Financial Highlights & Investment Considerations

- The Facebook Inc (FB) is an American social networking service company, founded in 2004 and based in Menlo Park, California, USA. The company's products include Facebook, Instagram, Messenger, WhatsApp and Oculus and it has a workforce of 39,651 employees. The company has been listed on the Nasdaq Global Select Market since 2012 and it has been constituent of the NASDAQ-100 Index, the S&P 500 Index and the S&P100 Index.
- On 9 January 2018, Facebook's Oculus collaborated with the Chinese phone industry Xiaomi to launch a new virtual reality headset. In March 2018, U.S. Congress investigated the safety of personal data, due to references that Facebook gave access to 50 million users' data after Cambridge Analytica requested them. On 26 June 2018, the Facebook stock had the most significant drop in the company's history, after revealing its second-quarter revenue growth, while at the same time acquired Israeli messaging company, Redkix. On 25 September 2018, Instagram co-founders left Facebook. Approximately one-month later Oculus co-founder left also the company. At the end of the year, one of George Soros's executives requested on US lawmakers to investigate Facebook after the social network confirmed that it had hired a PR firm to make claims about the investor. On 14 March 2019, U.S. federal prosecutors investigated Facebook's data deals, while Chief Producer Officer quit the company, after the release of its project for encrypting messages. In June 2019, Facebook shared its plans for 2020 to launch its digital currency called Libra supported by its subsidiary Calibra. On 24 July 2019, Federal Trade Commission said that Facebook Inc would pay \$5 billion fine to settle charges about the misuse of its users' data. On 11 October 2019, the big payment firms quit Libra's project as well, while some politicians expressed concerns that it would cause financial instability. Nevertheless, Libra's association found support from other entities.

### Graph Analysis and Technical View



In the last 3 months, it seems that there is no clear sign of a bullish or bearish trend on Facebook's Inc stock price which has been fluctuated between the support level of \$173.39 and the resistance level of \$208.88. Meanwhile, it exceeded the Bollinger Band area twice, but it quickly retreated within a short period. During the period from mid-July to October 18<sup>th</sup>, the stock demonstrated high volatility which was further supported by the movement of 20-day Moving Average. More specifically at the first trading sessions of August, Stoch RSI was seen on the oversold area, while Bollinger Band provided a buy signal. The downward trend continued until the end of August when MACD crossed above the Trigger Line. However, on September 27<sup>th</sup> a buy signal was observed as the price moved closer to the lower band of Bollinger Bands, indicating an oversold market. On October 10<sup>th</sup> a bullish trend also emerged as the MACD crossed above the Signal Line. Moreover, the last week of the examined period the stock price crossed above the 20-day Moving Average indicating a potential continuity of the upward trend. On October 18<sup>th</sup>, Stoch RSI exceeded the 80-limit entering the overbought zone.

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FACEBOOK INC.	FB:US	FB.OQ	USD 186.11	October 18, 2019	----

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### VRS Equity Research Contributors

Dr. Nicholas Georgiadis, ngeorgiadis@valueinvest.gr  
Dr. Georgios A. Savvakis, gsavvakis@valueinvest.gr  
Zoe Vassiliou, zvassiliou@valueinvest.gr  
Maria Papadopoulou, mpapadopoulou@valueinvest.gr

### Investment Research & Analysis Journal

Dr. Efstratios Livanis  
Assistant Editor

### Actuarial Studies & Support Services

Dr. Charalampos Fytros  
FHAS, CFA  
Chfytros@valueinvest.gr

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