The Eau Claire Stock Basket in 2013: Examining the Top Performing Companies

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Introduction

ECB Overall Performance

The graph to the left shows that the ECB got off to a good start rising 16.1% in the first quarter. The ECB continued climbing in the second and third quarters with increases of 7.4% and 6.7% respectively. The ECB closed the year strong rising an additional 10.3% during the fourth quarter. Overall, the ECB performed extremely well in 2013 returning $46,676.57 on the initial $100,000 investment.

Conclusion/Discussion

ECB Performance by Sector

The graph to the right separates the ECB companies by sector showing the performance in each quarter over the year for each sector.

All three sectors (retail, manufacturing and others) gained value in every quarter over the year.

The first quarter was the strongest across all three sectors with each sector gaining at least 14%.

Overall, both retail and manufacturing gained nearly 40% for the year, while companies in the other sector saw an increase in value of just over 60% for the year.

ECB Company Rankings

The table on the left lists all 46 ECB companies and ranks them by the percentage change in value over the year. Of the 46 companies, 16 gained at least 50% for the year with two companies (BBY and LEE) more than tripling in value over the year.

On the low end, five companies experienced gains of less than 10%, while only two companies (TTMI and ICP) lost value for the year.

ECB Top Five Performers

The graph above shows the percentage gain for the top five performing ECB companies in 2013. In addition, these companies were Best Buy Co., Inc. (BBY), Lee Enterprises, Inc. (LEE), Manpower Group, Inc. (MAN), Buffalo Wild Wings, Inc. (BWLD) and Famous Dave’s of America, Inc. (DAVE).

Both BBY and LEE increased over 200% returning $5,265.70 and $4,443.17 respectively on top of the initial investment of $2,173.91. In addition, MAN and BWLD both more than doubled their value while DAVE fell just short of doubling its value.

People always want to know how their investments are doing and how the overall stock market is performing. In addition, people may also want to know how publically owned companies familiar to the Eau Claire area and Western Wisconsin region are doing in terms of market performance compared to other investments.

The Chippewa Valley Center for Economic Research & Development (CVCRD) collects and maintains stock market data on four separate hypothetical investments (including investments in local stocks) of $100,000 and track/compare their performance over the year.

An account of these investments is reported weekly in Tuesday’s Business Section of the Leader Telegram. In addition, the CVCRD issues three quarterly reports and a year-end report on these investments including specific information on selected companies. The Leader Telegram also runs a story based on each of these reports.

The Eau Claire Stock Basket (ECB) consists of 46 companies with an employment presence in the region including retail, manufacturing, dining and entertainment, health care and more.

At the beginning of the year, each company gets an equal share of the initial hypothetical $100,000 investment and then we see what happens over the year.

This poster presents a graphical and statistical summary of the ECB and its bottom performers in 2013.

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The ECB’s great performance in 2013 can be explained by its consistent growth throughout the year. Some of the companies in the ECB performed so well that negative growth by others in the basket wasn’t enough to substantially impact the whole basket.

Especially tech retailers’ and service companies’ increasing and sustained performances were the main reason the ECB outperformed the other indexes. Best Buy’s “new blue” turnaround plan, Lee Enterprises’ recognition in its financial management, Buffalo Wild Wings’ new pricing system were among the pillars that held the ECB’s performance strong.

Another key is that the companies in the ECB are fairly well diversified across sectors and industry types.