Energy Stock Screening Model

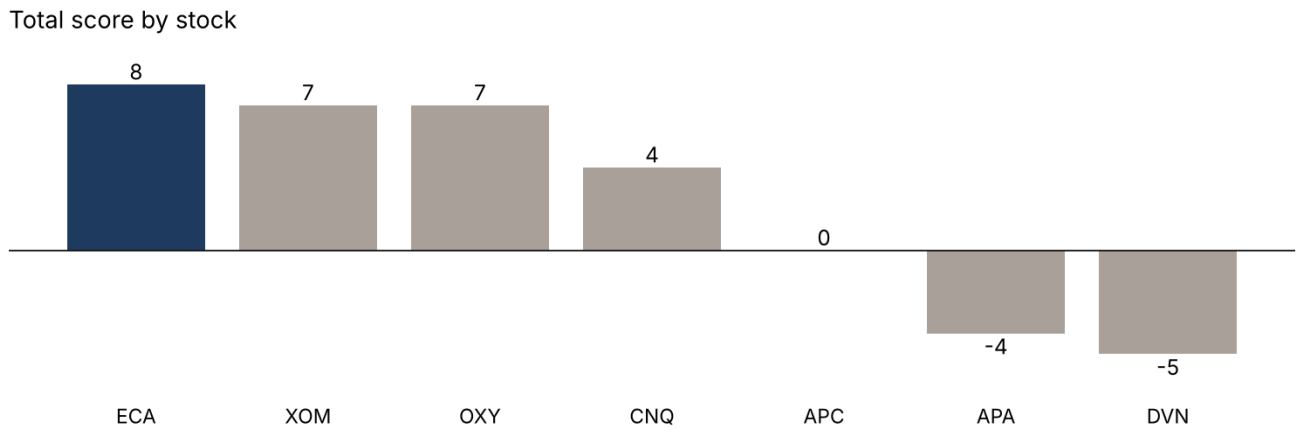
Jake Fecteau · School project · BUS 356 · Excel

The question

Which of seven energy stocks was the strongest buy under a rules-based model?

Approach

I compared XOM, OXY, ECA, CNQ, APA, APC, and DVN across financial ratios. Following the assignment's rules, each result earned points: Strong Buy = 2, Buy = 1, Hold = 0, Sell = -1.



Points by category	XOM	OXY	ECA	CNQ	APA	APC	DVN
Liquidity	2	-1	1	-1	2	-1	-1
Efficiency	2	2	3	0	-3	-1	1
Leverage	2	2	-2	-2	2	-2	0
Profitability and returns	-1	4	2	6	-2	2	-1
Per share, valuation and risk	2	0	4	1	-3	2	-4
Total	7	7	8	4	-4	0	-5

Recommendation

ECA scored highest with 8 points, just ahead of XOM and OXY with 7 each.

Limits

A point system gives each ratio set rules and does not capture commodity prices, company strategy, or later events. A one-point lead is narrow.

Class exercise using historical case data. Not current investment advice. Some of these companies have since been renamed or acquired.