

CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

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ABSTRACT OF BACHELOR THESIS

Analysis of Samsung Electronics Co., Ltd Stocks

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Summary

The bachelor thesis “Analysis of Samsung Electronics Co., Ltd. Stocks” focuses on fundamental economic analysis through looking at chosen Korean Company Samsung Electronics Co., Ltd. The thesis is divided into two main parts: literature review and practical part. Part of literature review focuses on the analysis of *the Korean stock market and* methods of developing the theory of fundamental economic analysis. The practical part consists of practical statement of the theoretical part of the company Samsung Electronics Co., Ltd. The economic situation of the company will be represented. Subsequently, part of calculations focuses on evaluation of financial statement of company Samsung Electronics Co., Ltd. The results from the analysis are used to recommend potential investment into Samsung Electronics Co., Ltd. stocks.

Keywords

Samsung Electronics Co., Ltd., Fundamental analysis, Technical analysis, Economic analysis, Oscillators, Technical Indicators, Intrinsic value, Investment recommendation.

Souhrn

Bakalářská práce na téma “Analýza akcií společnosti Samsung Electronics Co. Ltd.” se zaměřuje na fundamentální ekonomickou analýzu skrze pohled na vybranou Jiho-Korejskou společnost: Samsung Electronics Co. Ltd. Práce je rozdělena na dvě základní části: literální rešerži a praktickou část. První část literální rešerže se zajímá o současnou podobu Korejského trhu s cennými papíry a o metody rozvoje teorie fundamentální ekonomické analýzy. Praktická část se skládá z teoretického vymezení společnosti Samsung Electronics Co. Ltd., přičemž větší prostor dostane také ekonomická situace společnosti. Výsledky budou sesumarizovány a vzneseno doporučení, zda se vyplatí investovat do akcií Samsung Electronics Co. Ltd.

Klíčová slova

Samsung Electronics Co. Ltd., fundamentální analýza, technická analýza, ekonomická analýza, oscilátory, technické indikátory, vnitřní hodnota, investiční doporučení.

OBJECTIVES AND METHODOLOGY

Objectives

The main objective of the thesis is to evaluate Samsung Electronics Co., Ltd. position on Stock market. A partial goal is to determine the market position of Samsung and compare it with competitors. As well to conduct prediction of future position. Then as part of the research it is necessary to evaluate financials of Samsung such as profitability, indeptness, etc. Further it is necessary to evaluate past data of Samsung stock and use it for future prediction.

Methodology

All information about Samsung Electronics Co., Ltd. is received from the annual financial statements of the company available on the website of company.

The information for the fundamental economical analysis and technical analysis are gathered from the literature sources available online library and other sources.

Reviewing of literature will be demonstrated using methods of induction and deduction also synthesis and extraction will be used. Analytical section will be made using methods of qualitative analysis and quantitative as well.

All data calculated by different formulas for each specific indicator such as: Gross Profit Margin, Net Profit Margin, Operating Profit Margin, Pretax Profit Margin, Current ratio, Quick ratio, Return on assets, Return on investment, Return on equity, Earnings per Share, Price to earnings. All data of stocks for calculations are obtained mostly from internet source Yahoo.finance.com, Bloomberg.com and marketwatch.com.

All graphs and tables made by own computation in software Microsoft Office Excel 2007 and Paint.Net. Oscillators and Technical Indicators will be done using different methods available at online source investing.com. The main chosen Technical Indicators are: Moving Average, Bollinger Band and the main Oscillators are: Moving Average Convergence/Divergence, Relative Strength Index were represented in graphs.

Afterwards, these results analyzed for making conclusion, prediction of future position and making decision about investing into a company.

CONCLUSION AND INVESTMENT RECOMMENDATION

The main objective of this thesis was to familiarize the reader with the concept of fundamental economic analysis and technical analysis was provided. By technical analysis it is clearly seen that Samsung corporation occupies an important position in comparing with relative companies. These days it is proved that Samsung Co. Ltd is popular company among its competitors, by producing a big variety of different kinds of products with new designs and its innovations. Thus, it leads to huge amount of customers and high profit.

All calculations were provided using data collection from past years to estimate market position of Samsung nowadays. From technical results it is understood that from years and years Samsung Co.Ltd. growing in all aspects, as we can observe from chart Samsung's Operating Profit. As well by another charts that representing Samsung Shipment forecast, in which obtained that volume of products is increasing.

According to recent figures, the main competitor Samsung, Apple Inc., has surpassed its sales of Smartphone's and took the lead in the fourth quarter of 2014. But still Samsung is not losing its position. Company plans to invest near \$3,6 billion into development Organic light-emitting diode, OLED in next few years. It is good opportunity for company to produce something innovative that don't have other companies. Analysis said the new facility will create bendable displays, such as on a Smartphone Galaxy Note Edge and eventually, it will win the battle for the consumer, which is crucial for the growth of future income from the sale of Samsung Electronics Smartphone's. So, my suggestion is to invest into a company, as it is a profitable company with improving itself now and promisingly future market position.

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