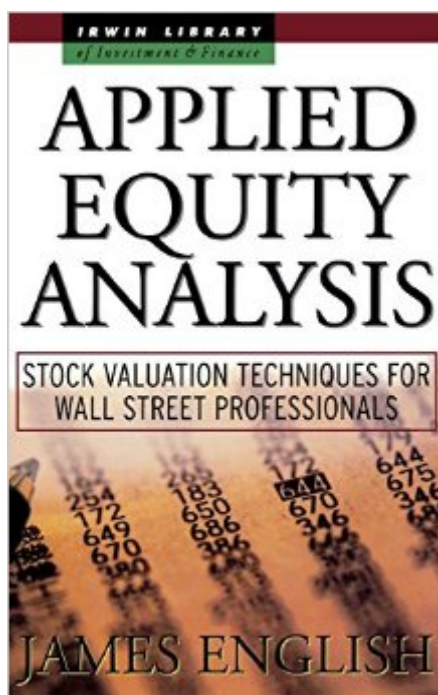


The book was found

Applied Equity Analysis: Stock Valuation Techniques For Wall Street Professionals



Synopsis

Applied Equity Analysis treats stock valuation as a practical, hands-on tool rather than a vague, theoretical exercise and covers the entire valuation process from financial statement analysis through the final investment recommendation. Its integrated approach to valuation builds viable connections between a firm's competitive situation and the ultimate behavior of its common stock. Techniques explained include EVA, newer hybrid valuation techniques, and relative multiple analysis.

Book Information

Series: McGraw-Hill Library of Investment and Finance

Hardcover: 422 pages

Publisher: McGraw-Hill Education; 1 edition (June 4, 2001)

Language: English

ISBN-10: 0071360514

ISBN-13: 978-0071360517

Product Dimensions: 6.5 x 1.4 x 9.2 inches

Shipping Weight: 1.7 pounds (View shipping rates and policies)

Average Customer Review: 3.2 out of 5 stars See all reviews (9 customer reviews)

Best Sellers Rank: #857,689 in Books (See Top 100 in Books) #108 in Books > Business & Money > Finance > Corporate Finance > Valuation #675 in Books > Textbooks > Business & Finance > Investments & Securities #927 in Books > Business & Money > Investing > Stocks

Customer Reviews

James English's "Applied Equity Analysis" is a how-to manual on evaluating stocks based on his 20 years of experience at JP Morgan. The book is very well-written and readable since the author employs plain english (no pun intended) to make his three major points: 1) accounting numbers--while by no means perfect--are excellent tools in evaluating stocks, 2) accounting-based stock valuation is superior to (but does not necessarily supplant) cash flows, and 3) competition ensures that eye-popping financial performance doesn't last forever. Contrary to another reviewer, English employs excellent examples to clarify and explain his points. Some examples: Gateway 2000's earnings history was used to explain how to find and interpret non-recurring items (NRI) on financial statements. Ratio analysis was demonstrated by looking at the PC industry in 1998. Emerson Electric was the company chosen to show why mature companies were still good buys. Many other examples abound, and English does a successful job in tying their relevance to his

arguments. But successful use of examples is not just the only strength of the book. The author also tackles a range of topics complete with insightful and clear discussions: the flaws of the Efficient Market Hypothesis (EMH), Economic Value Added (EVA), financial statement analysis, fundamental analysis, etc. A quick glance at the table of contents below gives you an idea of the scope of English's book. I highly recommend this book to not just Wall Street analysts, anyone who is interested in finding fundamental value in evaluating stocks instead of following the crowd.

Pt. 1
Getting Started
Ch. 1 A Day in the Life
Ch. 2 Fundamentals of Equity Valuation
Ch.

I bought this book based on the strong reviews as a complement to Damodaran's classic on valuation, but felt disappointed. To qualify my comments: First, I am not a sell-side analyst, and secondly, I haven't finished the book. After about 50 pages, I threw in the towel. My first stylistic objection to the book is its low content density. There is tremendous repetition and examples are trotted out in excruciating detail, even where the conclusions are fairly obvious. For example, on p. 34: "At competitive equilibrium, the firm can identify no incremental investment opportunities likely to generate returns in excess of capital costs. Competitive equilibrium is often defined as a condition in which investment opportunities generate returns equal to capital costs, but existing investments continue to earn abnormal rates." To me these two sentences are already redundant. But in case you still didn't get it, further DOWN on the SAME PAGE: "...This situation is called economic equilibrium, or economic parity. What does equilibrium mean? When returns are forced down to capital costs, then economic rents and/or abnormal earnings disappear and no further incentive to enter the business exists". But the most frequently repeated point of the first two chapters, is best summed up on p. 19: "As I say many times in the coming pages [and he's not kidding, there], equity analysis is not prophecy; it's opinion. It was never meant to be objective description, but it is strong advocacy." If you're the sell-side analyst, having to "dress up a pig" to help your firm gain some banking business, this book might offer some ideas. But where does this leave the consumer of such analysis? "It's the investor's job to 'diversify' by considering a variety of analysts' positions." (p.

[Download to continue reading...](#)

Applied Equity Analysis: Stock Valuation Techniques for Wall Street Professionals
Stock Market: Beginner's Guide to Stock Trading: Everything a Beginner Should Know About the Stock Market
and Stock Trading (Stock Market, Stock Trading, Stocks)
Stock Trading: The Definitive Beginner's Guide - Make Money Trading The Stock Market Like A Pro (Stock Trading, Stock Trading For Beginners, Stock Trading Strategies, Investing Basics)
Smart Investor: Warren Buffett Way: How to know the stock market has bottomed? (Market Crash, Intelligent Investor, Stock Market, Financial

Freedom, Stock Valuation, Wealth Creation Book 1) Bull by the Horns: Fighting to Save Main Street from Wall Street and Wall Street from Itself Stock Investing: The Revolutionary Stock Investing Strategies For Beginners - The Complete Guide To Get Started With Stock Investing And To Maximize Your ... Trading, Investing, Investing Basics) Penny Stocks: Complete Beginners Guide To Building Riches Through The Stock Market (Penny Stock Mastery, Penny Stock 101) Private Equity at Work: When Wall Street Manages Main Street iPhone for Work: Increasing Productivity for Busy Professionals (Books for Professionals by Professionals) Understanding Applied Behavior Analysis, Second Edition: An Introduction to ABA for Parents, Teachers, and other Professionals The Wall Street Journal Guide to Understanding Money and Investing, Third Edition (Wall Street Journal Guide to Understanding Money & Investing) The Wall Street Journal Complete Money and Investing Guidebook (The Wall Street Journal Guidebooks) Terror on Wall Street, a Financial Metafiction Novel (Wall Street Series Book 1) Business Valuation for Business Owners: Master a Valuation Report, Find the Perfect Business Appraiser and Save Your Company from the Looming Disasters That You Don't Yet Know About Investment Banking: Valuation, Leveraged Buyouts, and Mergers and Acquisitions + Valuation Models Valuation Workbook: Step-by-Step Exercises and Tests to Help You Master Valuation Valuation Workbook: Step-by-Step Exercises and Tests to Help You Master Valuation + WS (Wiley Finance) Equity Asset Valuation (CFA Institute Investment Series) Financial Modeling and Valuation: A Practical Guide to Investment Banking and Private Equity Private Equity Operational Due Diligence: Tools to Evaluate Liquidity, Valuation, and Documentation (Wiley Finance)

[Dmca](#)