



# Weston Business Review



## Ecopetrol S.A. (NYSE:EC) Has Yielded 34.26% So Far This Year

April 12, 2019

Traders are taking a closer look at shares of Ecopetrol S.A. (NYSE:EC) of late. The 14-day RSI is presently at 49.69, the 7-day is at 42.29, and the 3-day is resting at 30.82. An RSI approaching 70 is typically deemed to be nearing overbought status and could be ripe for a pullback. Alternatively an RSI nearing 30 indicates that the stock could be getting oversold and might be considered undervalued. The RSI for Ecopetrol S.A. (NYSE:EC) currently stands at 50.62.

In addition to RSI, we can also take a look at some technical indicators. The stock is currently 3.96% away from its 50-day simple moving average and 1.20% away from the 200 day average. Based on a recent trade, the shares are -23.75% away from the 52-week high and 39.80% from the 52-week low.

Honing in on the valuation of Ecopetrol S.A. (NYSE:EC), we can take a look at several ratios. One of the quickest ways to determine the projected value of a stock is the price to earnings growth, or PEG ratio. This formula was popularized by Peter Lynch and according to his calculations, a stock which is fairly valued will have a price to earnings ratio equal to its rate of growth. Simply put, a stock with a PEG ratio of 1 would be considered fairly valued.

A stock with a ratio of under 1.0 would be undervalued and a stock with a PEG over 1.0 would be considered over valued. Ecopetrol S.A. currently has a PEG ratio of 0.69. Taking a look at Ecopetrol S.A. (NYSE:EC)'s valuation level, we can focus on several ratios. One of the quickest ways to determine the projected value of a stock is the price to earnings growth, or PEG ratio.

In terms of CCI levels, Ecopetrol S.A. (NYSE:EC) currently has a 14-day Commodity Channel Index (CCI) of -87.72. Investors and traders may use this indicator to help spot price reversals, price extremes, and the strength of a trend. Many investors will use the CCI in conjunction with other indicators when evaluating a trade. The CCI may be used to spot if a stock is entering overbought (+100) and oversold (-100) territory. The 14-day ADX is 16.62. Many technical chart analysts believe that an ADX reading over 25 would suggest a strong trend. A level under 20 would indicate no trend, and a reading from 20-25 would suggest that there is no clear trend signal. The ADX is typically plotted along with two other directional movement indicator lines, the Plus Directional Indicator (+DI) and Minus Directional Indicator (-DI). Some analysts believe that the ADX is one of the best trend strength indicators available.

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100%  
TASA DE APROBACIÓN

8.5%  
RETORNO ANUAL PROYECTADO

MÁS INFORMACIÓN

Investors may be studying other technical indicators like the Williams Percent Range or Williams %R. The Williams %R is a momentum indicator that helps measure oversold and overbought levels. This indicator compares the closing price of a stock in relation to the highs and lows over a certain time period. A common look back period is 14 days. Ecopetrol S.A. (NYSE:EC)'s Williams %R presently stands at -77.78. The Williams %R oscillates in a range from 0 to -100. A reading between 0 and -20 would indicate an overbought situation. A reading from -80 to -100 would indicate an oversold situation. Looking at some moving average levels, the 200-day is at 21.08, the 50-day is 20.57, and the 7-day is sitting at 21.65. Moving averages can help identify trends and price reversals. They may also be used to help spot support and resistance levels. Moving averages are considered to be lagging indicators meaning that they confirm trends. A certain stock may be considered to be on an uptrend if trading above a moving average and the average is sloping upward. On the other side, a stock may be considered to be in a downtrend if trading below the moving average and sloping downward.

Most importantly investors want to know where the stock is headed from here. In order to get a sense of Wall Street sentiment, we can look to equity research analyst estimates. On a one to five ratings scale where 1.0 indicates a Strong Buy, 2.0 indicates a Buy, 3.0 a Hold, 4.0 a Sell and 5.0 a Strong Sell. Ecopetrol S.A. (NYSE:EC) currently has an average analyst recommendation of 3.5 according to analysts. This is the average number based on the total brokerage firms taken into consideration by Beta Systems Research. The same analysts have a future one-year price target of \$18.63 on the shares.

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