

Alpine Digest



Trading Review: Tracking Price Performance for Ecopetrol S.A. (EC) as Shares Move -5.25%

June 5, 2019

Tracking shares of Ecopetrol S.A. (EC), we have seen that the stock price has fallen -5.25% over the last month. Focusing on the past week, shares have moved 3.25%. Zooming out to the last 6 months, shares have seen a change of -3.87%. Heading back a full year, shares have moved -15.06%.

Many investors may have noticed that when the stock market has been running bullishly hot for quite some time, market tops can be a very busy place. Trading interest may be noticeably higher when the good times are rolling. This can be tricky because often times, prices may become inflated and somewhat overvalued. Traders will need to pay much more attention to what is going on at the tops of these bull runs. When interest is heightened, traders who got in at much better prices may be looking to unload the winners for quick profits. Doing the proper research can help clear out some of the fog that comes with an oversaturated market. Chartists will most likely be paying attention to price moves and trying to spot the next series of trends that develop. Spotting a trend earlier than the crowd may help the trader sell before the big drop or buy before the big rise. Learning how opportunities unfold and present themselves in the stock market may take a lot of time and effort to master. Professional traders are typically a few moves ahead of the novice and relatively naive trader. Getting to that next level should be on the mind of any dedicated trader or investor. Learning from past mistakes can make a huge difference in the future of the trader's profits and psyche.

Technical traders often make a point of keeping an eye on the ATR or Average True Range of a particular equity. Currently, Ecopetrol S.A. (EC) has a 14-day ATR of 0.59. The Average True Range is an investor tool used to measure stock volatility. The ATR is not used to figure out price direction, just to measure volatility. The ATR is an indicator developed by J. Welles Wilder. Wilder has developed multiple indicators that are still quite popular in today's investing landscape. The general interpretation of the ATR is the higher the ATR value, the higher the volatility.

Ecopetrol S.A. (EC) presently has a 14-day Commodity Channel Index (CCI) of -60.14. Typically, the CCI oscillates above and below a zero line. Normal oscillations tend to stay in the range of -100 to +100. A CCI reading of +100 may represent overbought conditions, while readings near -100 may indicate oversold territory. Although the CCI indicator was developed for commodities, it has become a popular tool for equity evaluation as well.

Tracking other technical indicators, the 14-day RSI is presently standing at 42.37, the 7-day sits at 45.43, and the 3-day is resting at 61.10 for Ecopetrol S.A. (EC). The Relative Strength Index (RSI) is a highly popular technical indicator. The RSI is computed base on the speed and direction of a stock's price movement. The RSI is considered to be an internal strength indicator, not to be confused with relative strength which is compared to other stocks and indices. The RSI value will always move between 0 and 100. One of the most popular time frames using RSI is the 14-day.

Keeping an eye on Moving Averages, the 50-day is 18.76, the 200-day is at 19.42, and the 7-day is 16.95 for Ecopetrol S.A. (EC). Moving averages have the ability to be used as a powerful indicator for technical stock analysis. Following multiple time frames using moving averages can help investors figure out where the stock has been and help determine where it may be possibly going. The simple moving average is a mathematical calculation that takes the average price (mean) for a given amount of time.

As we move deeper into earnings season, investors may be trying to figure out how to best position the portfolio for the rest of the calendar year. Maybe things haven't gone as well as planned in the first half of the year, and a few tweaks need to be made to bolster profits in the second half. Closely watching the earnings reports may be a good way to see what companies are getting things right, and what companies have some work to do. Many investors will take notice if a company posts a much larger earnings beat or miss than expected. Not only will the stock most likely become a bit more volatile, but overall interest may be heightened as investors try to piece together the puzzle and figure out why there was such a discrepancy between estimates and actuals. Once the dust settles and the picture becomes a little clearer, investors may be able to properly rotate in or out of a certain name or sector. Finding stocks that look good on paper but have fallen out of favor with certain investors may be a good place to start doing some further number crunching. Locating those overlooked sectors with growth potential might be a good way to uncover those stocks that are ready to make a run.

Some investors may find the Williams Percent Range or Williams %R as a helpful technical indicator. Presently, Ecopetrol S.A. (EC)'s Williams Percent Range or 14 day Williams %R is resting at -64.26. Values can range from 0 to -100. A reading between -80 to -100 may be typically viewed as strong oversold territory. A value between 0 to -20 would represent a strong overbought condition. As a momentum indicator, the Williams R% may be used with other technicals to help define a specific trend.