

Alpine Digest



Performance Focus on Shares of Ecopetrol S.A. (NYSE:EC)

June 11, 2019

Checking up on some historical performance on shares of Ecopetrol S.A. (NYSE:EC), we can see that the stock price performance for the last week is 3.21%. If we scroll back to the full year reading, shares have performed -19.41%. Investors may be trying to figure out if it is a good time to get into a certain stock, or whether to exit a position that has been a loser. Whatever the case, outperforming the market is on the minds of many dedicated equity investors. Heading back further over the previous month, the stock has performed -6.62%. For the last quarter, shares have performed -14.10%. Going back to the beginning of the calendar year, company shares are 9.32%.

Investors often conduct stock analysis to help figure out which ones are a good buy, and at what price should they get in. The two main types of stock research used by investors are fundamental and technical analysis. Some investors will only study the fundamentals while others will only follow the technicals. Many will choose to combine the two methods in order to get a more well-rounded view of the stock. Fundamental analysis entails following company data. This may include studying the balance sheet, profit and loss statements, and the overall competency of company management. Fundamental analysts often use financial ratios to help understand company information. Technical analysts often study charts in order to define trends. This research is typically not concerned with how the underlying financials of the company look, but how the stock has been trading.

Focusing on some other company information, we can see that Ecopetrol S.A. (NYSE:EC) has a beta of 1.54. Beta indicates the tendency of a stock's returns to respond to market swings. A beta of 1 indicates that the stock price moves with the market. A beta under 1 indicates that the stock is less volatile than the market in theory. A beta value over one would indicate the opposite. In terms of volatility, shares have been noted at 2.95% for the week, and 2.92% for the past month. Investors often keep a close eye on any irregular stock volume. Traders and technical analysts have the ability to use volume to help measure the strength of a particular move. Investors may also view volume levels when the stock price is nearing significant support or resistance levels, in order to confirm a breakout in either direction.

We can now shift our focus to some alternate company data on shares of Ecopetrol S.A. (NYSE:EC). The stock has a current ATR of 0.57. When applying indicators for technical analysis, traders and investors may choose to examine the ATR or average true range. The ATR measures the volatility of a stock on a day-to-day basis. The average true range is typically based on 14 periods and may be calculated daily, weekly, monthly, or intraday. The ATR is not considered a directional indicator, but it may reflect the strength of a particular move. As we move into the second half of the year, investors may be looking to jumpstart their portfolios. Many equity investors may be wondering if the stock markets will find renewed energy and continue higher, or if a major correction is on the horizon.

Shares of Ecopetrol S.A. (NYSE:EC) have been recently spotted trading -37.91% off of the 52-week high price. On the other end, company shares have been noted 13.84% away from the low price over the last 52-weeks. Switching over to some distances from popular moving averages, we see that the stock has been recorded -15.80% away from the 200 day moving average. Moving closer, we can see that shares have been trading -1.74% off of the 20-day moving average. Investors may be closely following the current stock price in relation to moving averages. This may assist with figuring out if a breakout or reversal could be in the cards. Knowing when to ride the surge rather than stay on the sidelines, can be a difficult decision even for veteran investors.

Traders often employ unique systems when trying to beat the stock market. There are many different trading strategies or systems that can be used. New traders may find out very quickly that trading without a plan is a recipe for ruin. When starting out, it may require a lot of focus and dedication just to stay afloat. With more experience and hard work, traders may be able to eventually scoop up some of those profits that they were expecting when they started out. Some traders may have a few big wins right out of the gate. This may lead to overconfidence in the future if the proper precautions are not taken. Traders constantly need to be paying attention to everything that is going with the stock market. Moves can happen in the blink of an eye and without any notice. Being prepared to take a position at a moment's notice can pay off big when the opportunity arises.