



Investment idea: **“Coca-Cola shares on the verge of big correction”**



Coca-Cola (KO) - is an American food company, known thanks to the production of soft drinks. Coca-Cola owns about 500 brands that are engaged in the production of energy drinks, soda, juices and drinks based on juices, tea and coffee. Among which as: Coca-Cola, Fanta, Sprite, Nestea, Burn, Rich, Schweppes, BonAqua, Nino and a lot others. **The Coca-Cola brand is one of the most famous brands peace and one of the most expensive.** The company Coca-Cola was founded in 1892 year.

The shares of **Coca-Cola** are traded on all major stock exchanges and many stock exchanges in the world, among which the NYSE is worth noting, and have a ticker KO. The shares of Coca-Cola are included in the calculation of many stock indices:





DOW 30, S & P 500, STOXXGlobal 150 USD Price and many others, which confirms the importance of this company.



Fig. 1. The dynamics of the DOW 30 index and the shares of Coca-Cola (blue line)

As can be seen from this chart, the shares of Coca-Cola and the DOW 30 index have very similar dynamics. And, running ahead, it is worth noting the significant oversold of these assets.

Despite the decline in the profitability of Coca-Cola in late 2017. Earnings per share KO (EPS) continues to grow, ahead of forecasts.

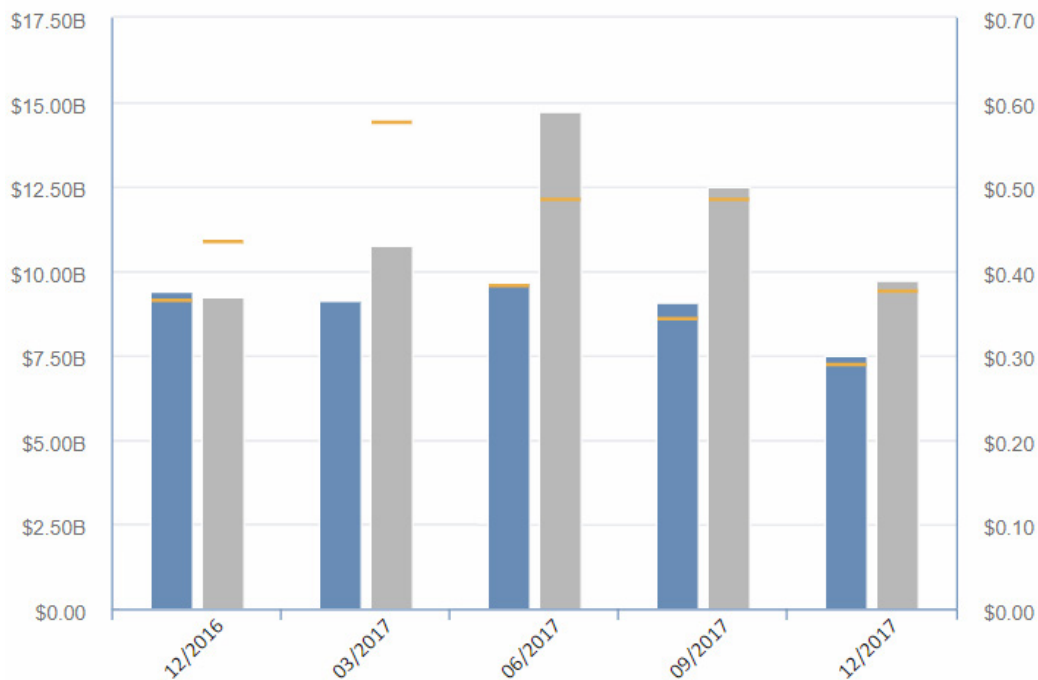




Fig. 2. Dynamics of turnover and net profit of the company from 4th quarter 2016 to 3rd quarter 2017 year.

This dynamics is also confirmed by the dividend table of KO shares.

Ex-dividend	Dividend	Payment Date	Income
14.03.2018	0,39	02.04.2018	3,65%
30.11.2017	0,37	15.12.2017	3,35%
14.09.2017	0,37	02.10.2017	3,19%
13.06.2017	0,37	03.07.2017	3,31%
13.03.2017	0,37	03.04.2017	3,43%
29.11.2016	0,35	15.12.2016	3,45%
13.09.2016	0,35	03.10.2016	3,34%
13.06.2016	0,35	01.07.2016	3,07%
11.03.2016	0,35	01.04.2016	3,14%

Fig. 3. Table of dividends of KO shares.

The reasons for buying the company's shares in April:

1. **Coca-Cola** continues to actively revise the recipe of its products, focusing on healthier drinks, namely, *the development of industries that produce juice and tea-containing beverages, and reduce the calorie content of existing beverages.*

Also in March **Coca-Cola** announced its intentions, for the first time in the history of the company, to *start producing low-alcohol beverages.* This innovation of the company will focus on the Japanese market, where the demand for low-alcohol drinks grows from 5% to 25% per year.



2. **Coca-Cola**, in conjunction with the US State Department, *launched a project to create a register of employees based on the blockchain*. The essence of which lies in the struggle against forced labor. This project is not a profile for Coca-Cola, but, if it is successful, it can attract significant investments.

3. *One of the main factors for strengthening of the shares of Coca-Cola is their technical correction*. Namely, the repulsion of shares from the lower border of the ascending channel, in which the shares have been traded since 2015. The formation of a reversal from the level of 42.00 will indicate a full-scale global correction of the shares of Coca-Cola.

The main risk factor remains the downward dynamics of the US stock exchanges on political risks. In this case, the recovery of the US stock exchanges will support Coca-Cola shares in strengthening.



Fig. 4. The chart of shares of Coca-Cola. The current price is 43.60.

The main essence of the investment idea is «Coca-Cola shares on the verge of a big correction» - to connect to the idea on the formation of a reversal before the main growth!





The essence of the idea: Purchase of KO shares in April!

Recommended date of connection is
from 2 to 6 April 2018.

The trade idea is valid
until May 4, 2018.

The recommended amount for start is \$ 10,000.

Potential profit is from 100% to 200% of the lot size.

Connect!

** Entry points, exact profit, protective orders and transaction hedging
- check with the manager when you connect!*

