

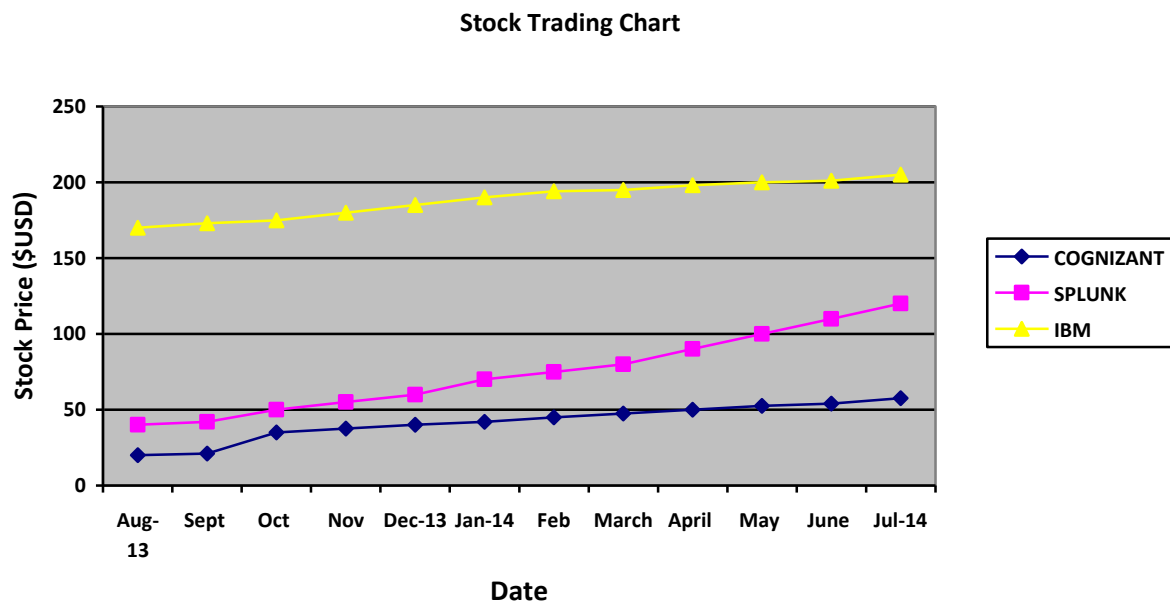
TO: Cordelia Twomey, Head of Department
FROM: Antoinette Pinder-Darling, Technology Consultant
DATE: August 1, 2014
SUBJECT: TECHNOLOGY STOCK ANALYSIS: IBM Corporation, SPLUNK Inc. and Cognizant Technology Solutions

The Educational Technology Department has some funds available on its account that could be used for investment in the amount of \$8,000. I am recommending that the funds be wisely invested in the technology sector and the gains could be used to expand the department.

This report will provide an analysis of the stock performance of IBM Corporation, SPLUNK Inc. and Cognizant Technology Solutions, three publicly traded technology companies for a twelve-month period. IBM Corporation is an international organization that focuses on business insight and technological innovation. SPLUNK Inc. is a data software company and Cognizant Technology Solutions is a leading provider of information technology (IT), and offers consulting and business process services, dedicated to helping the world's leading companies build stronger businesses. Stock price data as reported by NASDAQ were collected for the period of August 2013 to July 2014. The data is represented pictorially in Figure 1 and illustrates the changes in stock price for each company.

Figure 1 – illustrates stock prices for three companies. The data represented was retrieved on July 22, 2014, from <http://www.nasdaq.com/>

Figure 1



Stock Performance

Stock prices for IBM showed a fierce growth over the stock prices for SPLUNK and Cognizant Technology Solutions for the 12-month period presented in *Figure 1*. IBM stocks were as high as \$199.21, SPLUNK as high as \$106.15 and Cognizant Technology as high as \$54.00. The lows for these stocks were as follows: IBM dropped to \$172.19; SPLUNK dropped to \$39.35 and Cognizant Technology dropped to \$35.00. Based on my analysis, all of the stocks experienced loss during the trade period.

Volatility

IBM and Cognizant Technology's stocks are relatively stable but SPLUNK is increasing at a fast yet relatively stable pace. All three companies offer adequate opportunities for common stock purchases.

Comparative Analysis

An IBM, SPLUNK and Cognizant stock offers a satisfactory return on investment during the August 2013 to July 2014 period. IBM is leading the bunch by a large margin but it is important to remember that a share's past performance or profitability does not guarantee continued growth. However, it is vital for you to consider all three companies as strong performers.

Market Trends

Splunk provides innovative software products that enable organizations to gain real-time operational intelligence by harnessing the value of their data. Their products enable users to collect, index, search, explore, monitor and analyze data regardless of format or source. They believe this operational intelligence enables organizations to improve service levels, reduce costs, mitigate security risks, demonstrate and maintain compliance and gain new customer and business insights that enable them to drive better decisions (NASDAQ.com). If we invest our \$8,000 with them we could gain a return on investment amounting to \$10,390.52; which represents a profit of \$2,390.52.

IBM was incorporated into the State of New York on June 16, 1911. Since that time, IBM has focused on the intersection of business insight and technological innovation, and its operations and aims have been international in nature. This was signaled over 85 years ago, in 1924, when C-T-R changed its name to International Business Machines Corporation. And it continues today: The company creates business value for clients and solves business problems through integrated solutions that leverage information technology and deep knowledge of business processes. If we invest with this company we could gain a return on investment amounting to \$9,273.80; which represents a profit of \$1,273.80.

Cognizant Technology Solutions is a leading provider of information technology (IT), consulting and business process services, dedicated to helping the world's leading companies build stronger businesses. Our clients engage us to help them build more efficient operations; provide solutions to critical business and technology problems, and to help them drive technology-based innovation and growth. Furthermore, if we invest with this company we could gain a return on investment amounting to \$8,648.00; which

represents a profit of \$648.00. The return for this share is lower than for the other two but it has a significant growth potential, so I'll continue to watch the market trend for this stock.

Recommendation

Based on my qualitative and quantitative research on the three companies, I would advise that you plan to invest in all three stocks in an effort to compile a diverse portfolio and to reap the benefits of the growth potential of these companies' shares.

Web Conference or Dinner Meeting

Share prices fluctuate daily, so, as a result I would like to plan a meeting for Monday, August 4th 2014 at 8:00 a.m. We can meet via GoToMeeting or if you prefer a dinner meeting then we can arrange for this at your earliest availability. I will email you the instructions if you prefer the GoToMeeting option. Please note that for the web meeting you will need access to a computer, Webcam, microphone as well as Internet connectivity.

Thank you for your consideration of this recommendation. If you have any questions, do not hesitate to contact me by telephone at (201)-200-2222 or by email at apinderdarling@njcu.edu

Reference

NASDAQ. (2014, July). *NASDAQ Stock Market Activity*. Retrieved from <http://www.nasdaq.com/>