



Insights

Stock Explorer: An Overview

Stock Explorer provides SSGM's stock level indicators along with market metrics, and aggregated insights via an interactive tool kit and data-driven proprietary machine-learning models for the US large cap universe.

Goal: Stock Explorer covers US large-cap equities and aims to predict sector-relative performance for each stock in a sector as well as provide clear explanation of the drivers of the expected returns.

Peers: Top and Bottom 5 Securities by Market Cap In Sector

TARGET SECURITY	FUNDAMENTALS & RATIOS					
	MARKET CAP (B)	EPS GROWTH	P/E RATIO	EBITDA MARGIN	INVESTMENT	LEVERAGE
Alphabet Inc Class A	973.53	0.46	23.21	0.37	0.58	1.33
1. Meta Platforms Inc	1,138.51	1.31	26.00	0.48	-0.09	1.47
2. Alphabet Inc Class A	973.53	0.46	23.21	0.37	0.58	1.33
3. Alphabet Inc Class C	937.89	0.46	23.45	0.37	0.58	1.33
4. Netflix Inc	295.45	0.86	43.03	0.68	-0.06	2.22
5. T-Mobile US Inc	233.86	0.51	25.12	0.42	-0.32	3.33
14. Roblox Corp	26.3	0.10	-25.70	-0.16	-0.58	53.25
15. Live Nation Ente	22.14	-0.04	88.20	0.11	0.36	-472.74
16. Warner Bros Discovery Inc Class A	20.18	-0.49	-1.71	-0.42	-0.08	3.15
17. Omnicom Group Inc	19.34	0.07	13.65	0.15	0.33	7.52
18. Pinterest Inc	19.13	1.67	113.21	0.02	0.87	1.17

For illustrative purposes only. Source: State Street Global Markets

Differentiator: Stock Explorer leverages a data-driven approach and machine learning technique to analyze and predict sector-specific relationships between drivers and returns. It also leverages State Street's proprietary indicators of investor behavior and media sentiment.

GOOGL: Machine Learning Models

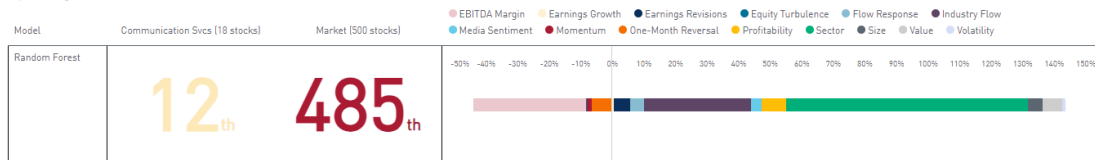
Equity Model Rankings and Attribution - August 2024

Research Analyst: Nan R. Zhang - State Street Bank and Trust Company

Important Reg. Disclosures

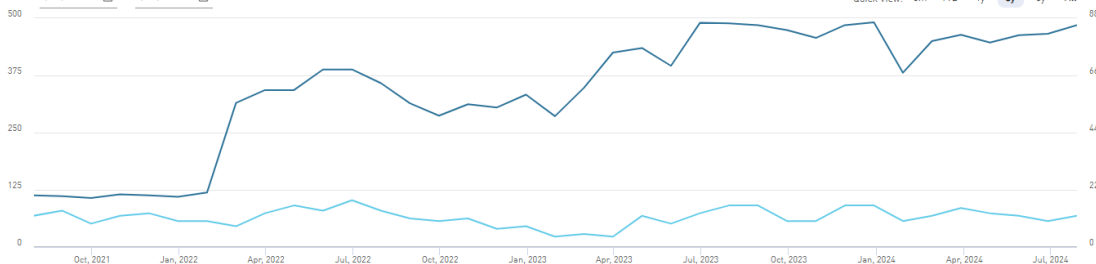
View Full Report

Consolidated Detail



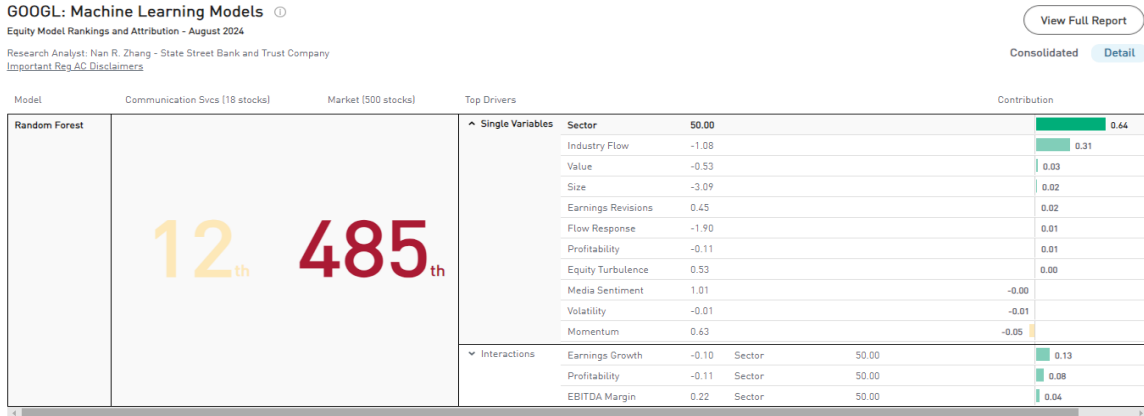
GOOGL Prediction

From: 7/31/2021 To: 7/31/2024



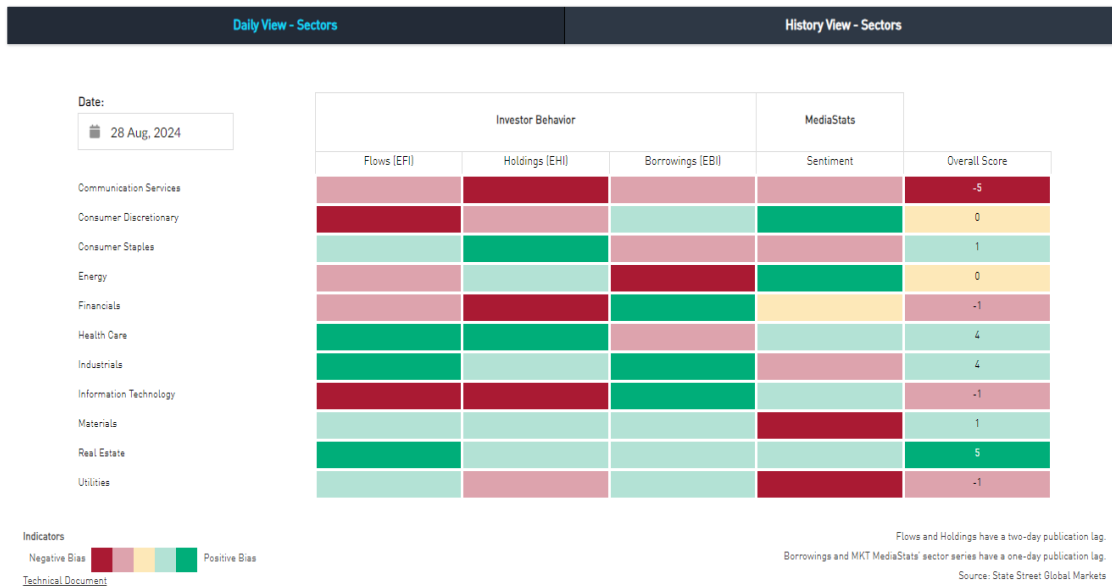
For illustrative purposes only. Source: State Street Global Markets

Data: We consider a concise list of predictive variables combining fundamental data and State Street’s proprietary indicators. This includes: Institutional Behavior Indicators (measuring a stock’s response to institutional equity flows¹), our in-house media indicators measuring excess sentiment and intensity, and proprietary risk Indicators measuring market structure fragility.



For illustrative purposes only. Source: State Street Global Markets

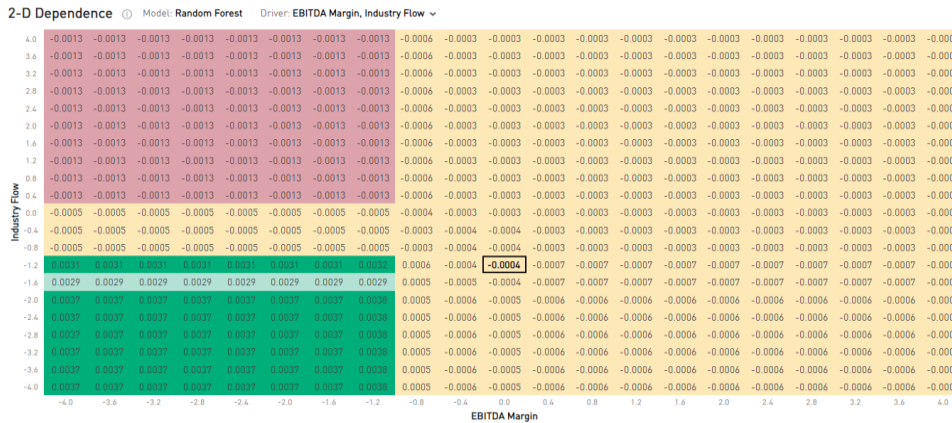
Model: Our framework utilizes a distinct predictive model for each sector capturing sector-specific dynamics between stock attributes and returns. It aggregates the predictions made by individual regression trees, each exploring a subset of predictors and data to capture relationships relative to performance. The model is powerful enough to detect unique interaction effects between various inputs, effectively implementing distinct predictive logic for each stock.



For illustrative purposes only. Source: State Street Global Markets

¹ State Street aggregates individual equity flow from thousands of institutional accounts into industry level flows for use in this model.

Technique: The power of the tool comes from our research² into model “fingerprints” as a framework for machine learning interpretation by isolating both linear and non-linear effects for each variable and the interaction effects for each pair of variables to help us understand the relative importance of each component of the model at a given point in time. In addition to finding powerful explanatory variables for each stock, the model can rank all inputs by the strength of their explanatory power allowing users to focus on what is truly important for each stock.



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Platform: The Stock Explorer is an interactive, web-based stock screening tool that combines decades of research and data in the equity space to provide our clients with insights into relative drivers of returns as well as alternative perspectives on the likely performance of individual stocks. Stock Explorer neatly integrates with our current Equity Strategy research offering (that focuses on sector / style selection) as well as broader Multi-Asset Strategy work.

Alphabet Inc Class A: GOOGL
 Communication Services: Interactive Media & Services
\$166.16 USD As of 08/26/2024

52 WEEK RANGE	MARKET CAP	P/E (TTM)	EPS (TTM)	BETA
122.17 - 191.18	\$973.53 B	23.21	7.16	1.04

Communication Services (United States)

RESEARCH SECTOR FLOWS

Outlook
 The communications sector, like IT, is dominated by mega cap companies which we currently favour. They have strong balance sheets and strong earnings. Despite the companies' large size, they are still expected to grow earnings substantially benefiting from their leading role in the AI space. Furthermore, due to the substantial underperformance in in 2021-22, the sector is still trading at a discount to historical valuation multiples and investors' holdings are not as extended as in the IT sector.
 Apr 29, 2024

Research

- US Sector Chartbook: Real Estate can still run and run
 Aug 28, 2024, Marija Veitmane
- US Sector Chartbook: Growing Support for Pharma
 Aug 21, 2024, Cayla Seder
- US Sector Chartbook: So much for Small/Value rotation
 Aug 14, 2024, Daniel Gerard
- What banks can tell us about the path of growth
 Jul 31, 2024, Cayla Seder

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² “Investable and Interpretable Machine Learning for Equities”, FDS, Winter 2022 by Li, Simon, and Turkington. “Beyond the Black Box: An Intuitive Approach to Investment Prediction with Machine Learning” FDS, Winter 2020, Li, Turkington, Yazdani

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