

Date: February 13, 2013

Analyst Name: Alyssa Wood

CIF Stock Recommendation Report (Spring 2013)

Company Name and Ticker: Urban Outfitters (URBN)

Section (A) Summary

Recommendation Buy: Yes		Target Price: \$49	Stop-Loss Price: \$37
Sector: Consumer Discretionary	Industry: Apparel	Market Cap (in Billions): \$6.21287	# of Shrs. O/S (in Millions): 144.63
Current Price: \$42.62	52 WK Hi: \$44.15	52 WK Low: \$25.43	EBO Valuation: \$37.69
Morningstar (MS) Fair Value Est.: \$36.00	MS FV Uncertainty: above average	MS Consider Buying: \$21.60	MS Consider Selling: \$55.80
EPS (TTM): 1.33	EPS (FY1): 1.63	EPS (FY2): 2.01	MS Star Rating: 2 stars
Next Fiscal Yr. End "Year": January "Month": 2014	Last Fiscal Qtr. End: Less Than 8 WK: Y	If Less Than 8 WK, next Earnings Ann. Date: March 11	Analyst Consensus Recommendation: Hold
Forward P/E: 21.18	Mean LT Growth: 17.07%	PEG: 1.24	Beta: 1.07
% Inst. Ownership: 41.80%	Inst. Ownership- Net Buy: N	Short Interest Ratio: 2.60	Short as % of Float: 7.50
<u>Ratio Analysis</u>	<u>Company</u>	<u>Industry</u>	<u>Sector</u>
P/E (TTM)	32.36	28.91	14.07
P/S (TTM)	2.36	3.28	1.40
P/B (MRQ)	4.96	4.89	1.43
P/CF (TTM)	20.39	28.13	8.23
Dividend Yield	0	1.47	0.91
Total Debt/Equity (MRQ)	0	9.29	55.64
Net Profit Margin (TTM)	7.27	8.40	7.62
ROA (TTM)	12.0	11.99	8.29
ROE (TTM)	16.84	94.73	11.92

<p><u>Investment Thesis:</u> I feel that the Cougar Investment Fund should purchase stock in Urban Outfitters because the company has an immense amount of room to expand, and all brands have recently reported solid growth for preliminary sales results in the last quarter. With this, Urban Outfitters is in line to have positive earnings results next month, where the stock will likely increase in price, similarly to what was seen when earnings exceeded estimates last July. The company has differentiated itself in each of its brands, targeting different demographics and specialties. Currently, market sentiment is good, with days to cover nearly the lowest they have been over the last year. There are some cons to consider in this investment. This could be a risky investment if the company misses estimates next month, and they do not pay a dividend yield. They are considered overvalued by the Fundamental and Relative valuations. Morningstar Direct did raise the fair value estimate in their most recent report, but this value is still lower than the current trading price. The stock recently reached a new 52-week high, and is still hovering nearby that mark, so the question is whether the next earnings report will provide positive results that move the price past its current high.</p>	<p><u>Summary</u> Provide brief summary of your analysis in each section that follows</p> <p><u>Company Profile:</u> Urban Outfitters is a specialty experiential retailer who operates under the brand names Urban Outfitters, Anthropologie, Free People, Terrain, and BHLDN. The company opened its first store in 1970 in Philadelphia.</p> <p><u>Fundamental Valuation:</u> Choosing an abnormal growth period of 12 years due to the opportunity to expand internationally and few factors that can inhibit growth, the stock is currently overvalued.</p> <p><u>Relative Valuation:</u> According to the Relative Valuation, Urban Outfitters is currently overvalued. This may be in part due to it not having as much reach in the market as competitors that operate inside shopping malls.</p> <p><u>Revenue and Earnings Estimates:</u> The company has had a mixture of positive and negative surprises the past few years, but earnings have been more consistently positive surprises.</p> <p><u>Analyst Recommendations:</u> Overall, analysts are somewhat bullish, but most analysts are recommending a hold.</p> <p><u>Institutional Ownership:</u> Top institutional owners of Urban Outfitters make up 41.8%. All top 10 of the institutional holders consist of well-known investment firms.</p> <p><u>Short Interest:</u> Market sentiment has fluctuated over the last year, but become more bullish in the last month and is at one of the lowest points for the last year.</p> <p><u>Stock Price Chart:</u> The stock has seen impressive growth, especially over the last year. They saw a very steep increase after beating estimates in reports released in July of last year. I expect this would happen again if they were able to beat estimates in the next earnings released in March.</p>
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Section (B) Company Profile (two pages maximum)

Company Summary

Urban Outfitters is a specialty retail company that operates under several brand names. The Urban Outfitters brand is targeted to young adults aged 18 to 28 years old with clothing, accessories, and home items. Anthropologie targets women 28 to 45 years old with clothing and home furnishings sold at a higher price point. Free People, which also houses the wholesale segment, targets “contemporary” women in the 25 to 30 year old range. Terrain is described in the 2012 SEC filing as the brand for “men and women interested in a creative, sophisticated outdoor living and gardening experience.” Finally, BHLDN is the brand specializing in everything wedding—from gowns to jewelry and accessories.

The company opened its first store near the University of Pennsylvania campus in Philadelphia in 1970, and went international when they opened an Urban Outfitters store in London in 1998. The company is currently looking to expand their international operations further.

Business Model, Competition, Environment and Strategy

Urban Outfitters strives to provide an eclectic atmosphere for its customers, with aesthetically pleasing stores. They specialize in experiential retailing, creating an emotional connection for the customer so that they are likely to spend more time in the store. Locations for stores are generally in refurbished old buildings, and the company takes on little to no debt when creating new stores. Because of this, they are not likely to be found in shopping malls where there is a lot of traffic from customers in other stores.

The company chooses to provide a broader selection of merchandise versus deeper, in order to provide customers with a specialized, unique experience with the items they sell. A broad selection also pairs with the aesthetics of the stores to encourage customers to shop for longer periods of time looking for the unique item that is perfect for them.

The company underwent changes in leadership in 2011 that has appeared to pay off with recent growth and ability to increase margins. This, along with new stores and a large contribution from the wholesale segment caused comparable retail sales growth of 9% in the most recent quarterly report.

The double edged sword that is both the biggest threat and opportunity for Urban Outfitters is the ability to forecast trends and plan for the right merchandise each season. Getting it wrong could cause the company an influx of inventory that they cannot sell. While other retailers marketing to the same groups as the Urban Outfitters brands provide natural competition, the company has to compete with new retailers that enter on the web and take share of their

market. As the company only has a trademark on its brands, but no copyrights on its designs, they could easily be stolen and reproduced.

Another concern for apparel retailers is the increasing price of cotton and cost of labor that has been cutting into profit margins. Along with this, increases in gas prices impact consumers' likelihood to drive to stores. Not only does this impact the traffic and impulse spending that could occur otherwise, but when consumers do enter stores, the amount they are willing to spend on discretionary items has been decreased by staple items like gasoline and food.

Revenue and Earnings History

REVENUE				EARNINGS PER SHARE			
Periods	2011	2012	2013	Periods	2011	2012	2013
April	479.961	524.019	568.93	April	0.30643	0.23367	0.23327
July	552.159	609.181	676.269	July	0.41582	0.35269	0.42092
October	573.592	609.953	692.894	October	0.43367	0.3303	0.40464
January	668.39	730.648		January	0.44871	0.26958	

Note: Units in Millions of U.S. Dollars

Revenue has consistently seen growth over the last three years, but earnings have had some fluctuations. The slowest quarter seems to be Q1, which Urban Outfitters just entered into. All of the earnings for 2012 were lower than the previous year, but earnings for fiscal year 2013 seem to have recovered.

Section (C) Fundamental Valuation (EBO)

Include the following here:

Copy/paste completed Fundamental Valuation (EBO) Spreadsheet

URBN	PARAMETERS	FY1	FY2	Ltg									
	EPS Forecasts	1.63	2.01	17.07%	Model 1: 12-year forecasting horizon (T=12), and a 7-year growth period.								
	Book value/share (last fye)	7.37											
	Discount Rate	9.97%			Please download and save this template to your own storage device You only need to input values to cells highlighted in "yellow" The rest of the spreadsheet is calculated automatically Please read "Guidelines for FundamentalValuation_Prof.Lec_Spreadsheet" file carefully								
	Dividend Payout Ratio (POR)	0.00%											
	Next Fisc Year end	2014											
	Current Fisc Mth (1 to 12)	1											
	Target ROE (industry avg.)	19.12%											
Year		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Long-term EPS Growth Rate (Ltg)			0.1707	0.1707	0.1707	0.1707	0.1707					
	Forecasted EPS	1.63	2.01	2.35	2.75	3.23	3.78	4.42					
	Beg. of year BV/Shr	7.370	9.000	11.010	13.363	16.118	19.343	23.118					
	Implied ROE		0.223	0.214	0.206	0.200	0.195	0.191					
ROE	(Beg. ROE, from EPS forecasts)	0.221	0.223	0.214	0.206	0.200	0.195	0.191	0.191	0.191	0.191	0.191	0.191
Abnormal ROE	(ROE-k)	0.121	0.124	0.114	0.106	0.100	0.095	0.091	0.091	0.091	0.091	0.091	0.092
growth rate for B	(1-POR)*(ROEi-1)	0.000	0.221	0.223	0.214	0.206	0.200	0.195	0.191	0.191	0.191	0.191	0.191
Compounded growth		1.000	1.221	1.494	1.813	2.187	2.625	3.137	3.737	4.451	5.302	6.316	7.523
growth*AROE		0.121	0.151	0.170	0.193	0.220	0.251	0.287	0.342	0.407	0.485	0.578	0.688
required rate (k)		0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Compound discount rate		1.100	1.209	1.330	1.463	1.608	1.769	1.945	2.139	2.352	2.587	2.845	3.128
div. payout rate (k)		0.000											
Add to P/B	PV(growth*AROE)	0.11	0.12	0.13	0.13	0.14	0.14	0.15	0.16	0.17	0.19	0.20	0.22
Cum P/B		1.11	1.24	1.36	1.50	1.63	1.77	1.92	2.08	2.25	2.44	2.64	2.86
Add: Perpetuity													
beyond current yr	(Assume this yr's AROE forever)	1.11	1.25	1.28	1.32	1.37	1.42	1.48	1.60	1.74	1.88	2.04	2.21
Total P/B	(P/B if we stop est. this period)	2.22	2.49	2.65	2.82	3.00	3.19	3.40	3.68	3.99	4.32	4.68	5.07
Implied price		16.48	18.49	19.68	20.95	22.30	23.74	25.27	27.38	29.66	32.12	34.80	37.69
Check:													
Beg. BV/Shr		7.37	9.00	11.01	13.36	16.12	19.34	23.12	27.54	32.80	39.08	46.55	55.45
Implied EPS		1.63	2.01	2.35	2.75	3.23	3.78	4.42	5.27	6.27	7.47	8.90	10.60
Implied EPS growth			0.233	0.171	0.171	0.171	0.171	0.171	0.191	0.191	0.191	0.191	0.191

Inputs (provide below input values used in your analysis)

EPS forecasts (FY1 & FY2): 1.63 & 2.01

Long-term growth rate: 17.07

Book value /share (along with book value and number of shares outstanding):

Book value: 1066.3

of shares outstanding: 144.63

Book value / share: 7.37

Discount Rate:

Risk-Free rate: 2.83%

Beta: 1.07

Expected Market Risk: 9.5%

Dividend payout ratio: 0%

Next fiscal year end: 2014

Current fiscal month: 1

Target ROE: 19.12%

Output

Above normal growth period chosen: 12 (I believe this company has a lot of room for expansion and growth which is mainly only impacted by economic stability.)

EBO valuation (Implied price from the spreadsheet): \$37.69—this price falls on the upper side of the 52-week range, but still implies a lower price than what the stock is currently trading at.

Sensitivity Analysis

EBO valuation would be (you can include more than one scenario in each of the following):

- \$22.30 if changing above normal growth period to 5 years. The implied prices decrease with shorter abnormal growth periods.
- \$43.15 if changing growth rate from mean (consensus) to the highest estimate 22.0%. A higher estimate causes the implied price to be closer to where the stock is currently trading at.
- \$31.40 if changing growth rate from mean (consensus) to the lowest estimate 10.0%. A lower estimate causes the implied price to decrease further from where the stock is currently trading at.
- \$42.05 if changing discount rate to 9.43%. This value doesn't change the price much. The changed discount rate was found by manipulating the market risk in the CAPM formula to 9%.
- \$37.15 if changing target ROE to 18.91%. This causes price to drop slightly.

Section (D) Relative Valuation

Cougar Investment Fund Relative Valuation Template

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You only need to input values to cells highlighted in "yellow"

The rest of the spreadsheet is calculated automatically

Please read "Stock Recommendation Guidelines" document carefully

URBN

1	Ticker	Name	Mkt Cap	Current Price	Mean FY2		Forward P/E	Mean LT Growth Rate	PEG	P/B (MRQ)	ROE 5 yr ave	Value Ratio	P/S TTM	P/CF TTM
					Earnings Estimate (next fiscal year)									
1	GPS	The Gap, Inc.	\$ 15,451.69	\$ 32.23	\$ 2.57	12.54	12.54	8.88%	1.41	4.89	23.03%	0.21	1.02	10.39
2	AEO	American Eagle Outfitter	\$ 4,027.88	\$ 20.34	\$ 1.56	13.04	13.04	13.76%	0.95	3.14	16.58%	0.19	1.18	11.4
3	ANF	Abercrombie and Fitch Co	\$ 4,027.46	\$ 50.62	\$ 3.60	14.06	14.06	17.96%	0.78	2.42	13.20%	0.18	0.92	12.04
4	JWN	Nordstrom, Inc.	\$ 11,169.27	\$ 55.82	\$ 3.96	14.10	14.10	12.37%	1.14	5.95	35.75%	0.17	0.95	10.16
	URBN	Urban Outfitters	\$ 6,212.87	\$ 42.58	\$ 2.01	21.18	21.18	17.07%	1.24	4.89	18.91%	0.26	2.33	20.12
Implied Price based on:								P/E	PEG	P/B	Value	P/S	P/CF	
1	GPS	The Gap, Inc.				\$25.21			\$48.46	\$42.58	\$34.96	\$18.64	\$21.99	
2	AEO	American Eagle Outfitters, Inc.				\$26.21			\$32.51	\$27.34	\$31.18	\$21.56	\$24.13	
3	ANF	Abercrombie and Fitch Co.				\$28.26			\$26.86	\$21.07	\$30.19	\$16.81	\$25.48	
4	JWN	Nordstrom, Inc.				\$28.33			\$39.10	\$51.81	\$27.40	\$17.36	\$21.50	
		High				\$28.33			\$48.46	\$51.81	\$34.96	\$21.56	\$25.48	
		Low				\$25.21			\$26.86	\$21.07	\$27.40	\$16.81	\$21.50	
		Median				\$27.24			\$35.80	\$34.96	\$30.69	\$18.00	\$23.06	

From the top panel

Each of the competitors was chosen because they specialize in clothing for the teen and young adult population. Nordstrom was included due to the price point and type of clothing sold in their departments for young men and women.

The multiples among Urban Outfitters and its competitors have some variation, likely attributable to differences in size and maturity of the company. Urban Outfitter's forward P/E ratio is significantly higher than its competitors at 21.18, while its closest competitor is at 14.10. Regarding PEG, URBN's value is near the average of the four competitors. Urban Outfitter's P/B ratio is identical to that of The Gap, falling in between the other P/B values of competitors. There is a large amount of variation with the ROE values, ranging from 13.2% to 35.75%--I think this is in part due to the size of each company and number of locations they have. Urban Outfitter's ROE falls near the middle of the range at 18.91%. P/S and P/CF are much lower for the competitors than for Urban Outfitters, suggesting that the stock is a bit pricey for its industry.

From the bottom panel

According to nearly all valuations, Urban Outfitters is currently overvalued, with exceptions only being seen in the PEG and P/B for The Gap. Most of these prices implied are much lower than the current trading price, but in general are near the 52-week low of \$25.43. For a

company like Urban Outfitters, the best valuation metrics to pay attention to are PEG and in some cases P/S. The issue with P/S is that it doesn't take into account the company's ability to be efficient with the sales they have made. The PEG for Urban Outfitters is significantly higher than any of the competitors, which causes the implied prices from these competitors to be much lower than the current price of URBN. If the difference between the multiples was not so significant, I would not be as concerned, but this could indicate that the stock is overvalued.

The majority of prices for each of the valuation metrics are within the 52-week range, with the exception being with P/S and a little with P/CF. I think this has to do with the fact that Urban Outfitters isn't as large and/or hasn't been around and built the presence that some of these other competitors have been able to do, impacting their sales. With this, Urban Outfitter's locations are generally different than the competitors—it's unlikely to find an Urban Outfitters inside a shopping mall like you would with any one of the competitors compared.

Section (E) Revenue and Earnings Estimates

HISTORICAL SURPRISES

Sales and Profit Figures in US Dollar (USD)
Earnings and Dividend Figures in US Dollar (USD)

Estimates vs Actual	Estimate	Actual	Difference	Surprise %
SALES (in millions)				
Quarter Ending Oct-12	692.49	692.89	0.40	0.06
Quarter Ending Jul-12	671.58	676.27	4.69	0.70
Quarter Ending Apr-12	578.69	568.93	- 9.76	- 1.69
Quarter Ending Jan-12	740.02	730.65	- 9.38	- 1.27
Quarter Ending Oct-11	626.20	609.95	- 16.25	- 2.60
Earnings (per share)				
Quarter Ending Oct-12	0.41	0.40	- 0.01	- 2.98
Quarter Ending Jul-12	0.33	0.42	0.09	28.52
Quarter Ending Apr-12	0.20	0.23	0.03	13.86
Quarter Ending Jan-12	0.29	0.27	- 0.02	- 5.86
Quarter Ending Oct-11	0.32	0.33	0.01	3.94

In the past few years, sales have had a tendency to disappoint, while earnings typically brought positive surprises. Most impressively with earnings was seen in July of fiscal year 2012, with 28.52% surprise. Not surprisingly, the stock price reacted negatively to negative surprises and positively to the positive surprises in earnings.

CONSENSUS ESTIMATES ANALYSIS

Sales and Profit Figures in US Dollar (USD)
Earnings and Dividend Figures in US Dollar (USD)

	# of Estimates	Mean	High	Low	1 Year Ago
SALES (in millions)					
Quarter Ending Apr-13	17	644.51	668.90	627.13	649.31
Quarter Ending Jul-13	17	759.23	783.00	735.00	756.64
Year Ending Jan-13	28	2,779.48	2,798.20	2,750.73	2,800.16
Year Ending Jan-14	28	3,120.54	3,221.00	3,018.33	3,164.15
Earnings (per share)					
Quarter Ending Apr-13	20	0.32	0.37	0.29	0.29
Quarter Ending Jul-13	21	0.51	0.60	0.48	0.46
Year Ending Jan-13	30	1.62	1.73	1.58	1.58
Year Ending Jan-14	30	1.99	2.15	1.80	1.96
LT Growth Rate (%)	10	17.07	22.00	10.00	16.82

	# estimates	mean	high	low	1 yr ago	% diff high	% diff low
sales							
qtr end apr 13	17	644.51	668.9	627.13	649.31	3.78%	-2.70%
qtr end jul 13	17	759.23	783	735	756.64	3.13%	-3.19%
yr end jan 13	28	2779.48	2798.2	2750.73	2800.16	0.67%	-1.03%
yr end jan 14	28	3120.54	3221	3018.33	3164.15	3.22%	-3.28%
earnings							
qtr end apr 13	20	0.32	0.37	0.29	0.29	15.63%	-9.38%
qtr end jul 13	21	0.51	0.6	0.48	0.46	17.65%	-5.88%
year end jan 13	30	1.62	1.73	1.58	1.58	6.79%	-2.47%
year end jan 14	30	1.99	2.15	1.8	1.96	8.04%	-9.55%
ltg	10	17.07	22	10	16.82	28.88%	-41.42%

The divergent estimates are more notable for the periods and year ends that are farther out (especially when considering the long term growth). These estimates are also more divergent for earnings than sales. There are only 10 analysts providing estimates for the long term growth, versus up to 30 analysts for the other estimates. More analysts provide estimates for fiscal years than quarter results; this is likely because there is more of a buffer for time frames that include multiple quarters than with a single quarter.

CONSENSUS ESTIMATES TREND

Sales and Profit Figures in US Dollar (USD)
Earnings and Dividend Figures in US Dollar (USD)

	Current	1 Week Ago	1 Month Ago	2 Month Ago	1 Year Ago
SALES (in millions)					
Quarter Ending Apr-13	644.51	644.51	641.99	639.68	649.31
Quarter Ending Jul-13	759.23	759.23	757.14	755.27	756.64
Year Ending Jan-13	2,779.48	2,778.86	2,766.05	2,758.81	2,800.16
Year Ending Jan-14	3,120.54	3,115.05	3,095.27	3,080.22	3,164.15
Earnings (per share)					
Quarter Ending Apr-13	0.32	0.32	0.32	0.32	0.29
Quarter Ending Jul-13	0.51	0.51	0.50	0.49	0.46
Quarter Ending Jan-13	1.62	1.62	1.59	1.58	1.58
Quarter Ending Jan-14	1.99	1.98	1.94	1.92	1.96

Consensus estimates trended down for sales from one year ago, but since have seen slight increases over the last 2 months. For earnings, the quarters ending Apr-13, Jul-13, and Jan-13 have seen slight increases over the last year, while quarter ending Jan-14 had a decline two months ago and has increased since. It appears that analysts are more optimistic with how Urban Outfitters will perform in earnings than they will in sales, and the trend is more notable for nearer quarters/year ends than those that are farther into the future.

ESTIMATES REVISIONS SUMMARY

Number Of Revisions:	Last Week		Last 4 Weeks	
	Up	Down	Up	Down
Revenue				
Quarter Ending Apr-13	0	0	4	5
Quarter Ending Jul-13	0	0	4	5
Year Ending Jan-13	1	0	19	0
Year Ending Jan-14	1	0	16	5
Earnings				
Quarter Ending Apr-13	0	0	6	1
Quarter Ending Jul-13	0	0	7	1
Year Ending Jan-13	1	0	18	0
Year Ending Jan-14	0	0	18	1

The majority of estimate revisions have been upward in the last four weeks, and only upward in the last week. This is an indicator that most analysts are optimistic about how Urban Outfitters' next earnings report will be. There are more revisions for the year ending January 2013, which makes sense as this is the next report that will be released.

Based on how the stock has been trading and the Morningstar Direct analyst report, I think there is quite a bit of optimism that Urban Outfitters could end up with positive surprises in their next earnings report. There has been a lot of growth in stock price recently, and the newest earnings released next month will include holiday spending. Though I could see the stock drop a little with uncertainty just before earnings are released, I estimate price to recover and continue to rise with positive earnings. It was reported that preliminary sales results were up in each of its brands, and I think purchasing this stock before earnings are released could create an opportunity for the Cougar Investment Fund to see positive returns.

Section (F) Analysts' Recommendations

ANALYST RECOMMENDATIONS AND REVISIONS

1-5 Linear Scale	Current	1 Month Ago	2 Month Ago	3 Month Ago
(1) BUY	9	10	10	9
(2) OUTPERFORM	5	5	4	5
(3) HOLD	15	14	14	14
(4) UNDERPERFORM	0	1	1	2
(5) SELL	0	0	1	1
No Opinion	0	0	0	0
Mean Rating	2.21	2.20	2.30	2.39

There hasn't been much change over the last three months for recommendations with this stock. From three months ago, the stock has become slightly more bullish, but within the last month one analyst moved from Buy to Hold, suggesting there could be some uncertainty with where the company will go in the current quarter. One analyst also moved from Outperform to Buy two months ago, and there was a decrease of one analyst one month ago. I think analysts feel one of two ways about the stock: either they are optimistic and expecting the stock to do well and recommending a Buy, or they are unsure whether the company will be capable of continuing the growth they have seen over the recent past. I personally think that Urban Outfitters has a lot of room for growth in the long run, but that they will have positive results in their next earnings report and will have some short-term growth as well.

Revision Date	Upgrade or Downgrade	Current Recommendation	Previous Recommendation	Firm	Last Revision
The most recent revision date					
N/A	N/A	N/A	N/A	N/A	N/A

The earliest revision date in the last two months					
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No revisions up or down were made for Urban Outfitters according to cnbc.com for the last two months.

Section (G) Institutional Ownership

Cougar Investment Fund Institutional Ownership Template

Please download and save this template to your own storage device

You only need to input values to cells highlighted in "yellow"

The rest of the spreadsheet is calculated automatically

Please read "Stock Recommendation Guidelines" document carefully

URBN

Ownership Activity	# of Holders	% Beg. Holders	Shares	% Shares
Shares Outstanding			145,917,929	100.00%
# of Holders/Tot Shares Held	399	100.00%	111,306,196	76.28%
# New Positions	20	5.01%		
# Closed Positions	20	5.01%		
# Increased Positions	75	18.80%		
# Decreased Positions	81	20.30%		
Beg. Total Inst. Positions	399	100.00%	112,312,468	76.97%
# Net Buyers/3 Mo. Net Chg	-6	48.08%	-1,006,272	-0.69%

Ownership Information	% Outstanding
Top 10 Institutions % Ownership	41.80%
Mutual Fund % Ownership	1.00%
Float %	69.78%

> 5% Ownership		
Holder Name	% Outstanding	Report Date
Goldman Sachs Asset Management	9.9	9/30/2012
Wellington Management Company, LLP	5.8	9/30/2012
MFS Investment Management	5.80%	09/30/12

On a net basis, institutions have decreased their ownership slightly, but this hasn't been with those in the greater than 5% category. The three institutions that hold

more than 5% are Goldman Sachs, Wellington Management Company, and MFS—all of which manage assets and investments. The top ten institutions make up more than 40% of the ownership, which I see as a bullish indicator. Of this ownership, it appears all are investment firms and asset management companies.

Section (H) Short Interest (two pages)

From <http://www.nasdaq.com/> (NASDAQ's website)

Urban Outfitters:

Settlement Date	Short Interest	Avg Daily Share Volume	Days To Cover
1/15/2013	6,804,353	3,448,030	1.973403
12/31/2012	6,690,546	1,861,943	3.593314
12/14/2012	6,334,412	3,159,585	2.004824
11/30/2012	6,293,824	2,699,977	2.331066
11/15/2012	5,578,161	1,780,800	3.132390
10/31/2012	5,511,466	1,712,421	3.218523
10/15/2012	5,163,189	1,720,417	3.001126
9/28/2012	5,910,940	2,836,596	2.083815
9/14/2012	7,598,296	3,022,841	2.513627
8/31/2012	8,018,852	4,560,999	1.758135
8/15/2012	9,440,492	1,842,513	5.123704
7/31/2012	9,953,450	2,670,701	3.726905
7/13/2012	9,932,785	1,957,122	5.075200
6/29/2012	10,224,605	2,133,981	4.791329
6/15/2012	10,251,013	3,016,699	3.398089
5/31/2012	9,898,207	4,062,220	2.436650
5/15/2012	10,165,510	2,867,789	3.544720
4/30/2012	10,611,840	1,981,670	5.354999
4/13/2012	11,455,414	3,786,511	3.025322
3/30/2012	11,255,871	3,533,865	3.185145
3/15/2012	11,431,841	4,666,058	2.450000
2/29/2012	13,197,919	2,758,239	4.784908
2/15/2012	13,352,469	3,092,795	4.317282



Short interest showed quite a bit of volatility over the year, especially from February to the end of summer, but this isn't necessarily unusual as it is seen with The Gap and Nordstrom as well. Urban Outfitters does have a more negative market sentiment than the other two companies, though. The three points that have peaks in negative sentiment for Urban Outfitters are April 30th, July 13th, and August 15th. April 30th corresponds to the end of Q1 last year, so I can assume that there was uncertainty with earnings to be released soon after. This also was a few days after the company pulled shirts from their online store that had a symbol resembling that worn by Jews in Nazi Europe. I was unable to find any news to explain the negative sentiment seen in July, and competitors did not appear to see this same occurrence, but days later the stock was upgraded by analysts from hold to buy. The negative sentiment in August was just before earnings were to be reported, where the company slightly missed estimates.

The Gap:

Settlement Date	Short Interest	Avg Daily Share Volume	Days To Cover
1/15/2013	10,559,720	5,949,914	1.774769
12/31/2012	8,127,863	5,744,341	1.414934
12/14/2012	6,693,003	10,072,161	1.000000
11/30/2012	6,325,889	5,621,480	1.125307
11/15/2012	6,851,941	4,838,188	1.416220
10/31/2012	6,092,707	3,576,981	1.703310
10/15/2012	6,881,723	5,111,606	1.346294
9/28/2012	7,071,812	7,325,290	1.000000
9/14/2012	10,294,332	5,072,604	2.029398
8/31/2012	9,063,220	6,600,968	1.373014
8/15/2012	12,032,832	7,648,237	1.573282
7/31/2012	14,954,785	5,551,523	2.693817
7/13/2012	14,753,234	5,374,188	2.745202
6/29/2012	15,953,727	6,322,774	2.523216
6/15/2012	16,844,189	6,745,977	2.496924
5/31/2012	13,951,091	8,379,178	1.664971
5/15/2012	14,124,192	6,961,752	2.028827
4/30/2012	17,733,377	7,215,924	2.457534
4/13/2012	15,054,754	9,966,934	1.510470
3/30/2012	14,323,721	7,296,576	1.963074
3/15/2012	17,977,679	7,313,905	2.458014
2/29/2012	23,776,699	8,427,388	2.821360
2/15/2012	22,133,988	8,224,625	2.691185



Nordstrom:

Settlement Date	Short Interest	Avg Daily Share Volume	Days To Cover
1/15/2013	5,645,154	2,750,412	2.052476
12/31/2012	5,212,534	2,301,614	2.264730
12/14/2012	5,084,116	2,246,512	2.263115
11/30/2012	5,075,079	2,253,347	2.252240
11/15/2012	5,195,282	1,717,885	3.024232
10/31/2012	5,179,710	1,716,035	3.018417
10/15/2012	4,827,627	1,598,503	3.020093
9/28/2012	4,521,190	1,705,654	2.650708
9/14/2012	4,303,704	1,414,129	3.043360
8/31/2012	4,653,800	1,591,949	2.923335
8/15/2012	5,040,702	2,892,163	1.742883
7/31/2012	5,452,793	1,707,514	3.193410
7/13/2012	5,107,387	2,110,754	2.419698
6/29/2012	4,641,580	2,421,582	1.916755
6/15/2012	4,550,376	2,298,504	1.979712
5/31/2012	4,535,228	2,595,674	1.747226
5/15/2012	4,770,565	2,591,894	1.840571
4/30/2012	4,880,356	1,380,565	3.535043
4/13/2012	5,604,406	1,685,282	3.325500
3/30/2012	5,607,168	1,270,887	4.412011
3/15/2012	5,668,048	1,506,808	3.761626
2/29/2012	7,335,443	3,107,939	2.360227
2/15/2012	6,840,287	1,999,762	3.420551



From <http://finance.yahoo.com/>

Avg Vol (3 month)	Avg Vol (10 day)	Shares Outstanding	Float
2,604,900	2,361,440	145.92M	107.67M
Shares Short (Jan 15, 2013)	Short Ratio (Jan 15, 2013)	Short % of Float (Jan 15, 2013)	Shares Short (2 weeks prior)
6.80M	2.60	7.50%	6.69M

The market sentiment is more bullish than it was previously in the last year, with the most recent days to cover at 1.973403 (one of the lowest over the past year). In the more recent month the stock has become more bullish after seeing a slight increase at the end of December. I think the market sees a lot of opportunity for growth with Urban Outfitters, and they have been performing fairly well, reaching a new 52-week high last week and staying near this point.

Section (I) Stock Charts

A three months price chart

Urban Outfitters Inc. (URBN) - NasdaqGS

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42.58 +0.59(1.37%) Feb 8, 4:00PM EST | After Hours : **42.58** 0.00 (0.00%) Feb 8, 4:22PM EST

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Over the last three months, Urban Outfitters has performed very well, seeing nearly 21% growth.

A one year price chart

Urban Outfitters Inc. (URBN) - NasdaqGS

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Performance over the last year is even more impressive than the 3-month time horizon, seeing more than 55% growth. The spike in price seen mid-August is directly correlated to URBN beating estimates in their earnings.

A five year price chart

Urban Outfitters Inc. (URBN) - NasdaqGS

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The 5-year price chart does not reveal results as great as the 1-year, but the stock still saw 49% growth during this time. It is apparent by the dip seen in October of 2009 that Urban Outfitters suffered from the financial crisis as consumers spent less on discretionary items.

Additional price charts

Urban Outfitters Inc. (URBN) - NasdaqGS

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This price chart compares the performance of Urban Outfitters against the S&P 500, the sector ETF, and Nordstrom during the time frame we have been in the Cougar Investment Fund. If this stock had been purchased at the beginning of last semester's investing, the fund could have seen about 15% return.

Urban Outfitters Inc. (URBN) - NasdaqGS

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42.58 ↓0.59(1.37%) Feb 8, 4:00PM EST | After Hours : **42.58** 0.00 (0.00%) Feb 8, 4:22PM EST

Technical Analysis

Get Technical Analysis Chart(s) for:

Urban Outfitters, Inc. (NasdaqGS)	
Range: 1d 5d 1m 3m 6m 1y 2y 5y max	Type: Bar Line Candle
Moving Avg: 5 10 20 50 100 200	EMA: 5 10 20 50 100 200
Indicators: MACD MFI ROC RSI Slow Stoch Fast Stoch Vol Vol+MA VW%R	
Overlays: Bollinger Bands Parabolic SAR Splits Volume	
Compare: URBN vs <input type="text"/>	<input type="button" value="Compare"/>

Urban Outfitters, Inc.



This technical analysis shows both a golden cross and a death cross. It appears that the stock is nearing another death cross in the near future.

Urban Outfitters Inc. (URBN) - NasdaqGS

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42.58 ↓0.59(1.37%) Feb 8, 4:00PM EST | After Hours : **42.58** 0.00 (0.00%) Feb 8, 4:22PM EST

Technical Analysis

Get Technical Analysis Chart(s) for:

Urban Outfitters, Inc. (NasdaqGS)	
Range: 1d 5d 1m 3m 6m 1y 2y 5y max	Type: Bar Line Candle
Moving Avg: 5 10 20 50 100 200	EMA: 5 10 20 50 100 200
Indicators: MACD MFI ROC RSI Slow Stoch Fast Stoch Vol Vol-MA VWAP	
Overlays: Bollinger Bands Parabolic SAR Splits Volume	
Compare: URBN vs <input type="text"/>	<input type="button" value="Compare"/>

Urban Outfitters, Inc.



Though there was a death cross that occurred roughly April of 2011, the stock recovered and has performed very well over the past year. The stock has seen impressive growth and has the potential to see more growth in the future.

Sources

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money.msn.com

www.nasdaq.com