

WRITING

AN ANALYST'S REPORT

Your boss has asked you to update the information on your company's website. Check the recent press releases from the software sector below.

Software sector news

Microphose shock!

Microphose reports big fall in profits and rise in investment costs. Share price down from \$24 to \$21 this morning. Fall now is 40% over 12 months compared with 22% fall for the NASDAQ.

Outlook poor for Microphose

Analysts turn negative on the computer sector as sales forecasts show only 5% growth over the next 3 years.

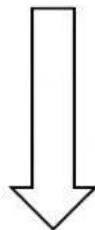
Chairman's warning

Chairman warns of difficult market conditions as mobile applications begin to take market share from traditional personal computer market. Promises to invest in new products to boost profits.

Analysts advise 'sell'

Analysts move recommendations on Microphose from buy to sell setting a target price of \$23 per share. Analyst Dave Sweetman at Goldman Sachs explained that the high cost of investing in new products will result in lower profits over the next few years.

Now complete the analyst's report for Microphose using the language expressions from the Boggle report (Student's book p.74) and the information in the press releases above.



Company name: *Microphose*

Sector: _____¹

Current share price: _____²

Target price: _____³

52-week high: \$32 **52-week low:** \$20

Recommendation: buy / sell / hold⁴

Share price performance

Over the last twelve months, Microphose's share price

_____⁵.

This is due to _____⁶.

The performance _____⁷

for the NASDAQ index of _____⁸

over the same period.

Sector outlook

The outlook for the computer software sector looks

_____⁹ over

the next twelve months. Most analysts remain _____

_____¹⁰.

The total computer sector _____¹¹

grow by _____¹² over

the next three years.

Chairman's statement / recent news

At a recent press conference, the company Chairman

_____¹³.

However, the Chairman promised _____

_____¹⁴. This will probably

_____¹⁵ an

increase in profits in the long term.

Recommendations

We believe that Microphose's shares will underperform

the NASDAQ index over the next twelve months. We have

moved Microphose from _____¹⁶

to _____¹⁷ and we have set

a target price of \$ _____¹⁸.

We would _____¹⁹ now on

current prices.