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Columbia Sportswear Company(CLOM) and Hanesbrands Inc. (HBI): AN IN-DEPTH ANALYSIS

SMIF Newsletter, November 2017

Name, Address

EXECUTIVE SUMMARY

In the recent times, there has been a positive shift towards sportswear over traditional retail wear observed with the millennial generation as they find it fashionable to dress in sports apparel and footwear in the streets unlike the previous period where such clothing was the reserve of the sporting track.

Consequently, the number of players in the supply of such apparel has steadily increased leading to both improved choice and variety for customers, and increase in profits for the company.

While financial reports indicate that firms operating in the apparel industry are making substantial profit levels, in depth analysis of their financial information is important for investors seeking to purchase securities from the given companies.

Columbia Sportswear and Hanesbrands Incorporated are two global apparel and footwear producing companies that have built a strong reputation in supplying high quality clothing, sportswear and footwear.

This report undertakes an in-depth analysis of the financial reports from the two companies in an attempt to carry out the valuation of their stock. Consequently, the report is divided into five main sections as it attempts to achieve this objective.

To begin with, the report undertakes macroeconomic analysis of the apparel production industry where it elaborates on the influence technology has had on the performance of the companies. The report then undertakes industry analysis where it highlights the current state of the industry, major threats to performance, role of international markets as well as an evaluation of the companies' financial aspects such as the Earnings per share, sales, net profit margin etc.

In the third section, fundamental valuation is performed where the analysis highlights on the financial soundness of Hanesbrands Inc. compared to Columbia Sportswear. Corporate governance proceeds afterwards where decisions of both insider investors and institutional investors are evaluated.

In the final section, the report undertakes the technical valuation analysis thereby providing insight into the historical performance of the companies.

Overall, the report helps point out fundamental concepts taught in the investments class in readiness for application in the real world.

MACRO ECONOMIC ANALYSIS

Columbia Sportswear Company and Hanesbrands Inc. are apparel producing companies that operate on a global basis. However, an analysis of their operations shows that the two companies deal in different aspects of apparel production. Columbia Sportswear was founded in 1938 as a small regional distributor of hats, however, over time, has grown to be a global leader in the distribution of outdoor apparel and footwear.

As of the year 2016, the company's production levels of apparel, accessories and footwear accounted for over 78.5% whereas footwear accounted for 21.5%. The company is the leading manufacturer of outwear in the world and the largest skiwear seller in the U.S. Hanesbrands Inc. on the other hand, was initiated from the Sara Lee corporation in 2006 when the corporation contributed its brand apparel business in the Americas and Asia and decided to distribute all its HBI outstanding shares to stockholders. Unlike Columbia Sportswear, the company deals in the design, manufacture, and sales of clothing for men, women and children.

Supply variable

A major supply variable affecting the profitability of the apparel firms is technology. Consequently, this section examines the effect of technological changes on the supply of COLM and HBI products, as well as its impact on the firms' sales, profits, and cash flow.

Firms that particularly operate in the apparel industry, need to ensure they remain updated with technological advancement and adapt to the new emergent changes in order to stay competitive and Figure 1

successful in the industry. The same applies for firms in other diverse industries.

It can be argued that technology has a double effect in the apparel industry as it influences the effectiveness and efficiency of manufacturing in the firm on the one hand while on the other, it affects the firms' ability to supply products to consumers (Harinder, Brennan, & Browne, 2004).

Technology influences the efficacy of apparel production in both firms as it is viewed as a tool that improves their respective production processes. As such, it influences

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finished products. For both Columbia Sportswear and Hanesbrands Inc., this means that technology facilitates the manufacture of their respective sports apparel by easing both the product design and manufacturing aspects.

Consequently, negative technological changes such as adoption of cheaper technologies by competitors adversely affects their capacities to produce at sufficient capacities. For instance, an increase in the prices of machinery required to perform fundamental processes such as the

revenue loss. Figure 1 shows downward trend in the industrial production of apparel goods. Unsuccessful implementation of information technology would

Current State of the industry

In the recent times, there has been increased attention in the sportswear apparel industry as current fashion trends promote sportswear over traditional retail wear (Kell, 2014). Further, as more individuals embrace proactive healthy lifestyles that include gym membership and increased physical activities such as bike riding, jogging and hiking, the demand for sportswear and apparel has continued to increase. In addition, improved marketing efforts have brought about the adoption of sportswear as an alternative to retail wear (Kell, 2014). Consequently, there has been an increase in the number of players who supply sportswear in an attempt to fill the current market gap. With the high numbers, there has been an increase in competition among the prevalent sportswear firms leading to the adoption of diverse marketing strategies. Most global retailers of sports apparel such as Nike and Puma have been seen to promote their sportswear by using celebrity sports ambassadors, a feat that has

Technology is also seen to facilitate the rising of supply levels within firms. A firm that decides to invest resources in technological advancement, first, makes its production processes more efficient while reducing its labor costs and facilitating an increase in supply levels. However, despite the benefits accruing from the use of technology in the given apparel firms, technology is also associated with various negative influences. First, many resources in information technology are associated with significant risks that could lead to decreased production, increased costs, and

consequently led to further improvement in the marketability of sportswear. Hence, currently, the sportswear apparel industry is at a point where there is increased potential to be exploited while at the same time, the increased number of players has led to increased competition levels among firms.

Main Threats

Global sportswear companies such as Columbia Sportswear and Hanesbrands Inc., face various threats as a result of operating on a global scale and choice of industry. provide the opposite result and so the firm would produce less, firm's sales would decrease, as well as the profit and cash flows.

INDUSTRY ANALYSIS

The performance of such firms' is dependent on diverse factors, some of which include: changes in political environment; economic environment; socio-cultural trends and finally, an increase in competition in the markets of operation. Adverse changes in these factors consequently impacts the supply and demand aspects of the firms. While the enumerated factors have a significant influence on the operations of the firms, the main threat to the firms' performance stems from adverse changes in the economic

and their ability to process inputs to environment and changes in social cultural fashion trends. According to Pailwar (2012), changes in the economic environment such as an increase in interest rates, inflation rates or unemployment rates brings about a decrease in the levels of disposable income levels among individuals in society. As a result, their buying capacity is reduced as they focus on purchasing essential products. Consequently, since most individuals consider sportswear to be luxurious items, they indulge in them less leading to lower revenue sales for the sportswear firms. Conversely, an improvement in interest rates, employment and inflation rates leads to an increase in demand for luxurious items as individuals have higher levels of disposable income. The second main factor of influence is the change in consumer tastes and preferences brought about by changes in fashion trends. By virtue of being in the fashion industry, the firms' performance is subject to the influence of rapid change in fashion trends. As trends promote a given product such as footwear, demand for the given product significantly improves. However, with changes in preference where the customers end up preferring alternative products, the firms' performance is compromised as demand levels fall. As a result, the firms need to focus on adapting to changes in both fashion trends while ensuring they remain sensitive to economic changes in order to maintain their stock prices at high levels.

Role of international markets

The role played by international markets in the performance of retail wear, sportswear and footwear products can be argued to be pivotal as it offers significant influence in the value of stocks. Columbia Sportswear Company was founded 79 years ago in Washington County, Oregon. It operates in more than seventy-nine countries and has over thirteen thousand retailers. Hanesbrands Inc., on the other hand, was incorporated in 2006 and has grown to be a global marketer of basic innerwear and active wear apparel in the Americas, Europe, Australia and Asia. Consequently, the two firms cannot survive without interacting on global markets as most of their customers are located in diverse locations. As such, the values of the companies' stocks vary with the changes experienced in the international market.

Market Structure

Given that there are numerous players in the apparel industry on a global scale, the market structure can be argued to be monopolistic in nature as the different firms produce similar items that are differentiated by aspects such as brand, quality and other aspects. Hanesbrands Inc. competes with companies such as Under Amor, Hugo Boss, Michael Kors, Ted Baker, Gildan Activewear etc. In such a market structure, the extent to which a company is able to create a sense of brand loyalty among its consumers has an overall impact on its efficacy in marketing its products. Columbia Sportswear has been able to create a niche for itself as it has built a reputation of delivering high quality footwear and sportswear over its 79 years of operation. Similarly, Hanesbrands Inc. has also been significantly improving its market positioning aspects since its parent company, Sara Lee, is widely known and has been able to develop a wider reach in the different continents it operates in. Further, in the monopolistic competitive environment, since the firms deal in differentiated commodities, they have some level of control over the pricing of their items through the differentiation aspects. For instance, Nike is able to charge higher for its apparel compared to Columbia Sportswear as a result of its brand name despite selling similar products. As such, it is able to assign its prices independently despite the influence brought about by market factors

Sales

The sales revenue obtained over a period of six years for both Columbia Sportswear and Hanesbrands Inc. is as shown in figure 2. From the figure, it can be seen that for both companies, the sales levels have steadily increased over the past six years. Further, it is also noted that Columbia has generated higher sales values over the period compared to Hanesbrands despite the trend values showing the latter has higher positive results compared to the former. Some of the factors that could be attributed to the observed increase in sales for both companies include the global positive trend towards the embracement of sportswear and footwear apparel as an alternative to retail apparel. Kell (2014) argues that most individuals are more comfortable dressing in sportswear in the streets compared to traditional retail wear, a trend that is leading to higher sales of the products. Similarly, their operations on a global scale in diverse continents has also led to more sales as the products appeal to different types of people.

Earnings per Share

Earnings per share describe the amount of profit that is ascribed to each value of common stock. As shown in figure 3, both companies have been having their EPS levels increasing steadily over the past six years. However, it is also noted that Columbia has recorded higher EPS values compared to Hanesbrands in the same period despite the trend showing the latter to have a higher percentage compared to the former. The outperformance of Columbia over Hanesbrands can be argued to arise from its stronger share price levels in addition to its longer tenure of operation of 79 years compared to Hanesbrands' 12 years. Consequently, stockholders in the former company stand to receive higher profits compared to those in the latter as a result of the higher EPS levels.

Net Profit Margin

According to Aswath (2013), the net profit margin describes the amount of profit a company will is able keep upon deducting its costs expressed as a percentage. Figure 4 shows the NPM values for both Columbia Sportswear and Hanesbrands Inc. From the figure, the NPM values for Columbia have been steadily increasing over the past six years while with Hanesbrands, the NPM values increased steadily for the first five years before decreasing in the final year. The figure also shows a higher NPM average level with the Hanesbrands company compared to Columbia at 3.7% which indicates that it has outperformed the company over the years.

Payout

Payout refers to the amount of dividend that stock holders receive on an annual basis.

Sales	Columbia	Hanesbrands
2017	35.25	17.80
2016	34.02	15.92
2015	33.58	14.63
2014	30.08	13.29
2013	24.35	11.63
2012	24.50	11.51

Trend	7.90%	9.21%

Figure 2

EPS	**Columbia**	**Hanesbrands**
2017	2.80	2.00
2016	2.72	1.85
2015	2.45	1.66
2014	1.94	1.42
2013	1.36	0.98
2012	1.47	0.66
Trend	15.08%	25.97%

Figure 3

NPM	**Columbia**	**Hanesbrands**
2017	8.0%	11.3%
2016	8.1%	11.8%
2015	7.5%	11.7%
2014	6.5%	10.8%
2013	5.6%	8.6%
Average	7.1%	10.8%

Figure 4

Payout	**Columbia**	**Hanesbrands**
2017	73.0%	60.0%
2016	69.0%	44.0%
2015	62.0%	40.0%
2014	57.0%	30.0%
2013	46.0%	15.0%
Average	61.4%	37.8%

Figure 5

According to figure 5, Columbia is seen to have higher average payout levels at 61.4% compared to Hanesbrands 37.8%. Consequently, this implies that stockholders in the former company enjoy higher returns for their stocks compared to those in the former company.

P/E Ratio

The P/E ratio describes the value paid for each dollar earned in the company. Figure 6 shows that there has been a steady improvement in the P/E ratio for Columbia Sportswear compared to Hanesbrands. The steady increase implies that there is a steady improvement in the market valuation of Columbia compared to that of Hanesbrands. Further, the average P/E ratio for Columbia is seen to be higher at 21.7 compared to Hanesbrands at 15.7 which indicates that it has a higher market value.

Conclusion

In conclusion, based on the positive results seen from the increased fashion trends currently witnessed on a global scale, the apparel industry is anticipated to grow by higher levels over time.

In support of this claim is the highly positive financial soundness observed with both Columbia and Hanesbrands Inc. as both companies have been seen to steadily increase their net profit margins and sales revenues over time. The review of their financial information showed that over the past six years, sales revenue and their net profit margins have been increasing at a steady rate.

Both firms are seen to have high levels of profitability and liquidity as illustrated by their earnings per share and payout levels. Finally, as the P/E ratios show, their market values are seen to increase steadily over time thereby leading to higher market valuation levels. However, upon comparison of the financial analysis from the two companies, Columbia is seen to offer higher sales revenues, net profit margins, payouts, and P/E ratio which indicates that based on the industry valuation, it has a stronger competitive edge over Hanesbrands.

P/E	**Columbia**	**Hanesbrands**
2017		
2016	20.9	14.3
2015	22.8	18.6
2014	20.8	16.2
2013	22.4	13.8
Average	21.7	15.7

Figure 6

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Required Rate of Return

The required rate of return describes the minimum acceptable discount rate than an investor can accept for a given project (Siddaiah, 2015). In the case of risky investments, investors are keen to determine the values of the RRR and consequently, accept to invest in a given project despite their high risks if the RRR values are high. In most instances, values above 9% are deemed acceptable by most investors.

In addition, investors also consult the beta values for given stocks they are interested in. Stocks with beta higher than the market value are riskier compared to those that are at the market level or below it.

Columbia Sportswear has a beta value of 1.10 which is higher than the market while Hanesbrands Inc. has a beta value of 1.0, exactly at the market. As such, the former's stocks are riskier since they are higher than the market value. Columbia is further seen to have an RRR value of 10.2% compared to Hanesbrands Inc. at 9.5% as shown in figure 7.

Required Rate of Return	**COLM**	**HBI**
k = rf + Beta (km -rf)	0.1020	0.0950

Figure 7

Based on the results, an investor would have to consider the both the beta values and level of RRR before attempting to select his preferred stock.

Further, upon evaluation of Gordon's growth model values for both companies as shown in figure 8, Columbia has a positive growth rate while Hanesbrands has a negative rate which indicates that the required rate of return is less than the growth model.

Dividend	0.7300	0.6000
Gordon's model	16.3862	-15.2
	overvalued	undervalued

Figure 8

Role of Dividends

Both companies offer dividends to their shareholders with Hanesbrands' current dividend at 0.6 while Columbia's is 0.73.

Expected HPR

As Siddaiah (2015) points out, the expected HPR describes the return an investor receives when he holds a given stock for a given period of time.

As shown in figure 9, both Columbia and Hanesbrands have positive HPR values which appeals investors to their stocks. However, it also indicates that they are undervalued which implies that they are anticipated to be higher than the recorded values.

Expected HPR	**COLM**	**HBI**
HPR = Inflows/Outflows	1.0386	2.2972
Annual Return	0.0127	0.3195
	overvalued	undervalued

Figure 9

Upon determining the alpha values for the two companies as shown in figure 10, it is seen that Columbia has a negative Alpha while Hanesbrands has a positive value.

Alpha	**COLM**	**HI**
Annual - Required	-0.0893	0.2245
	overvalued	undervalued
	COLM	**HBI**

Figure 10

By having a negative alpha value, the overall RRR value for Columbia will be lower than that of Hanesbrands since the alpha percentage is added to the RRR in determining the effective value. In Columbia's case, the effective RRR will be given by adding 10.2$ to -8.93% while for Hanesbrands, the effective RRR will be given by adding 9.5% to 22.45%.

Sensitivity Analysis

Stowe (2006) highlights that sensitivity analysis is significant in showing how well different variables are able to impact one another. Two variables of concern in this analysis are the P/E ratio and EPS.

both P/E and EPS are 20% more, it would lead to a return of 13.9%

Sensitivity

If P/E is ***If EPS is***

In Columbia's case as shown in figure 11, the worst case scenario occurs when both P/E and EPS are 20% less than the given expected return since it would not result in any return. However, in the case

Based on results in figure 13 below, both companies are seen to have different future stock prices. In Columbia's case, the current price is at 59.76 but its future stock price is anticipated at 59.6288 which represents a slight decline. In Hanesbrands case, the future stock price is at 33.6708 from its current stock price of 23.13. The anticipated increase is expected given the company's recent initiative to cut costs and build its brand which is aimed at increasing the value of the brand by 2019.

would earn more if they purchased the company's securities and held them for a given time period.

In terms of the sensitivity analysis, Hanesbrands as well demonstrated a

	COLM	HBI
Future Price	59.6288	33.6708
EPS	2.8	2.0

	20% less	10% less	As expected	10% more	20% more
20% less	-12.088%	-8.772%	-5.681%	-2.780%	-0.043%
10% less	-8.772%	-5.309%	-2.081%	0.946%	3.802%
As expected	-5.681%	-2.081%	1.272%	4.416%	7.381%
10% more	-2.780%	0.946%	4.416%	7.669%	10.737%
20% more	-0.043%	3.802%	7.381%	10.737%	13.900%

better chart as all its P/E and EPS levels had positive returns unlike Columbia which had more

Figure 13

instances without returns. As such, investors would easily be appealed to Hanesbrands Inc. compared to Columbia as the sensitivity analysis guaranteed return on their investments in the former's case

Figure 11

20% less	1.100%	4.764%	8.188%	11.407%	14.451%
10% less	4.764%	8.601%	12.184%	15.552%	18.734%
As expected	8.188%	12.184%	15.914%	19.419%	22.729%
10% more	11.407%	15.552%	19.419%	23.050%	26.479%
20% more	14.451%	18.734%	22.729%	26.479%	30.019%
If P/E is	***If EPS is***				

As expected 10% more

20% more

Finally, Hanesbrands was seen to have an improved future stock price compared to Columbia which reduced in value by 0.131 despite the company offering higher EPS at 2.8 compared to Hanesbrands offer of 2.0.

In the case of Hanesbrands as shown in figure 12, the chart shows that at all levels, that is, from the point P/E and EPS are 20% less to 20% more. As a result, the positive returns obtained at each of the levels attracts investors. Further, since the chart shows no negative return, investors would be easily attracted to it compared to Columbia's case.

If P/E is ***If EPS is***

20% less 10% less

Conclusion

In conclusion, fundamental analysis of the two companies has shown that both stocks have fairly good levels of RRR despite Columbia's beta being above the market level. However, Columbia showed a negative alpha while Hanesbrands had a positive alpha which led to a higher overall RRR being observed in the company.

Hanesbrands was also seen to have higher HPR at 31.95% compared to Columbia Sportswear at 1.27% which indicated that investors

Consequently, from the fundamental valuation, most investors would appeal to Hanesbrands securities despite its lower earnings per share and lower stock price as the analysis showed that the company offers returns in all conditions comparing P/E to EPS.

Insiders

Insiders refer to investors who have access to privileged information.

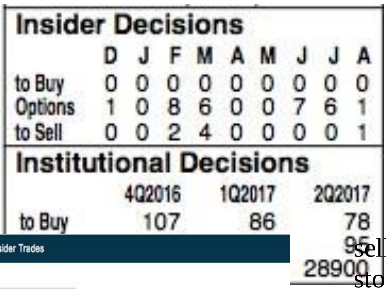
Figure 12

Future price of stocks

According to Thompson (2013), the trade becomes illegal when the traders use the privileged information for their own benefit in trading while the general public is yet to receive the same.

However, upon releasing the information to public, the trading becomes legal as all traders have an even playing field.

In Columbia Sportswear's case, figure 14 below demonstrates the different institutional and insider decisions. The figure shows that there have been higher insider decisions to sell the company's stocks compared to buying decisions. Institutional decisions on the other hand indicate a subsequent drop in both the options to buy and sell in the second quarter of 2017 compared to the 1st quarter. It also indicates that more institutional decisions in the two quarters favored selling rather than purchasing new stock.



Insider Decisions

	D	J	F	M	A	M	J	J	A
to Buy	0	0	0	0	0	0	0	0	0
Options	1	0	8	6	0	0	7	6	1
to Sell	0	0	2	4	0	0	0	0	1

Institutional Decisions

	4Q2016	1Q2017	2Q2017
to Buy	107	86	78
			95
			28900

Figure 15

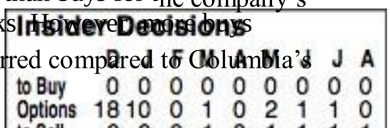
Figure 14.

Similarly, as shown in figure 15 below, the report from Nasdaq shows that in the past 12 months, more insiders have been selling stock more than buying (nasdaq.com) which reiterates the decisions highlighted previously.

On the other hand, in the case of Hanesbrands Inc., figure 16 demonstrates the different decisions made by institutions and insiders. An evaluation of the decisions showed that there was an increase in the number of insider options at the beginning of the year though insiders declined to either buy or sell their stock.
Further it can also be seen that there was increased activity in the buying and selling decisions from May to August with options to sell taking precedence over the buying options.

An analysis of institutional decisions showed that there was an increase in the decisions to buy in the previous two quarters. On the one hand, decisions to buy were seen to surpass those to sell stock over the given quarters. On the other hand, decisions to sell closely

followed those to buy in the three quarters. Despite a decline in the decisions to sell from the last quarter of 2016 to the first quarter of 2017, an improvement was noted afterwards from the first and second quarters of 2017.



Insider Decisions

	D	J	F	M	A	M	J	J	A
to Buy	0	0	0	0	0	0	0	0	0
Options	18	10	0	1	0	2	1	1	0
to Sell								1	1

	2Q2017
	344
	246
	417

Figure 16.

Figure 17 from Nasdaq (2017) shows that in the past 12 months, there have similarly occurred more sells than buys for the company's stocks. However, more buys occurred compared to Columbia's case.

Figure 17

Institutional Investors

Institutional investors are described as investors who are not affiliated with any organization or banks but are able to trade at lower commission levels owing to their huge trade amounts. They are able to pool their financial resources to buy securities at higher blocks which leads to the preferred treatment. They include pension funds, money managers, hedge funds, investment banks, insurance companies, etc.

Columbia Sportswear, as shown in figure 18 below, has about 39.09% institutional owners with a total outstanding share amount of 70 million.

Figure 18

Hanesbrands Inc., on the other hand, has an institutional ownership of 99.61% with a total outstanding share amount of 365 million as shown in figure 19 below. The high levels indicate that the company is owned entirely by

the investors leaving about 0.39% for other owners.

Figure 19

Adapting Trends

Columbia Sportswear has been at the forefront of ensuring they

adapt to changing customer preferences. As Gustafson (2015) points out, the management of the company deemed it necessary to innovate its production to ensure they have created the assortment that suits all types of weather, a dramatic change from their previous focus on winter apparel and footwear. By producing an assortment of items that would generate sales throughout the year, the company was in a much better position to appeal to a wider audience.

Hanesbrands Inc. has also been implementing similar initiatives in an attempt to serve its customers much better. The company's reinvestment into its market operations has also been seen as a reaction to prevalent market trends. Given the companies serve a global market distributed across several continents, adapting to consumer trends is imperative for their success and survival.

However, an evaluation of the operations of the two companies highlights that Columbia Sportswear engages in more market responsive initiative thereby being seen as the company that offers a stronger cutting edge.

By undertaking technical valuation, investors are able to visualize historical aspects of a given security in order to inform their investment decisions. Through the valuation process, an investor is able to decide the buying or selling price for a given stock that he should settle for. Technical valuation as well, disregards the financials of a company and seeks to ascertain the influence of supply and demand on the given stock price.

There are various approaches employed in technical valuation. One of them considers the evaluation of the stock price by correlating the same to the moving 50 and 200 averages. One signal investors rely on to make a purchase, is when the 50-day moving average crosses the 200 mark from below in what is referred to as the golden cross.

On the other hand, a signal they as well rely on in making a sale is when the price drops below the 50day from above and as well, confirms when the 50-day crosses the 200 from above in what is referred to as the death cross.

Line Chart

The analysis of Columbia Sportswear, shown by the figure 19, and Hanesbrands Inc. shown in figure 20 shows that prices have been moving steadily both up and down throughout the year.

Columbia Sportswear began the 2017 year with a steady improvement in stock prices but in March, experienced a drop in demand. However, from early April to late May, stock prices were seen to improve before taking yet another nosedive in May. From late May to early October, the demand levels were seen to steadily improve highlighting an increase in investment. From late October to November, its demand levels were also seen to take a nosedive as demand levels reduced dramatically.

On the one hand, the observed movement in Columbia's stock prices can be attributed to changes in fashion trends and seasonal buyer effects which had an impact on the demand levels of their products throughout the year. However, on the other hand, the movement can also be attributed to the sensitivity of investors to the stock behavior where they were seen to observe how the stock behaves before undertaking either a purchase or a sale of the existent stock.

On the other hand, demand levels of Hanesbrands' stocks were seen to begin on a low note at the beginning of the year. A sharp increase in demand occurred in early February as the company made a better offer of their stock prices. However, the demand would reduce from late February to early March and steadily increase from late March to May. Analysis of the company's annual line chart showed that throughout the year, the company has been undergoing both increase and decrease in its stock demand levels attributed to both the impact of market forces and the decisions by investors to buy their stock especially based on the impact of the prevalent seasons. As well, the investor decisions are also attributed to have an impact on demand levels.

Based on the activity levels, it is noted that Hanesbrands generated more activity from June towards October as a spike in demand is seen. Columbia was also seen to have a spike in demand from late September to late November. Probable causes for the spikes in demand stem from reinvestment of the companies into current operations in an effort to improve brand awareness and development of its market operations.

Figure 19

Figure 20

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