

Stock of the Day: Harley-Davidson Inc. (HOG)

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Harley-Davidson Inc. (HOG)

Harley-Davidson Inc. (HOG) is the industry leader of motorcycles and related products and related services. The company is an American motorcycle manufacturer that founded in 1903 in Milwaukee, Wisconsin. During the first decade of the 20th century, the company survived the great depression. In addition to this Harley-Davidson survived competition from Japanese manufacturers and a period of poor quality control. The company could survive more than a century because they never give up from their quality criteria. The quality and reliability are extremely important for this sector. Customers will always choose the reliable products for their health-care. When their web site viewed, the impressive slogan catches the attention: "You cannot predict an illness or accident. But with Harley-Davidson Protection Plans, you can prepare for them."

Let's look at the company's financial analysis. Harley-Davidson has a market cap of 10.66 billion. The company sustains an expanding loyal brand community which generate 0.8% of the net revenue (40\$ million) in 2010. The company has a P/E ratio of 34.17 and forward P/E ratio of 16.17. HOG has a 6.36% profit margin and pays 1.11% dividend yield. Analysts expect the company to have an 9.64% EPS growth in the next 5 years. Although the company faced some difficulties, Harley-Davidson made a significant surprise and beaten analyst estimates with reporting its first increase in U.S. sales since the 4th quarter of 2006. Also, the company informed that it will ship more bikes than previously planned. The largest U.S. motorcycle maker also reported a 37 percent increase in profit. Many of the stocks posted their biggest gains since March on Tuesday, most likely President Obama's positive comments on a possible debt agreement. However, HOG was the star that rallied 8.9 percent to \$45.11, the biggest gain in the S&P 500. The Harley-Davidson stocks are in the top 5 stocks that nobody can afford to ignore nowadays!