



Three Stocks Jumping On Abnormally High Volume: China Lodging Group, Ltd (ADR) (NASDAQ:HTHT), U.S. Energy Corp. (NASDAQ:USEG), Moelis & Company (NYSE:MC)

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Here, we look for stocks with a price and a simultaneous volume surge. Why monitor price-volume surges? Consider the following. When traders believe their indicators suggest a stock is about to break through a line of resistance some will act in anticipation of the event (buying pressure will increase). Other traders will buy when they notice, even before the breakout, the increase in volume on price increases and diminishing volume on price declines. When a stock actually breaks to the upside through resistance, other traders will notice and buy, causing the price and volume to surge. These conditions often precede the beginning of a significant price move. It is only logical that if a company has just developed an exciting new cure, product, or service, people will hear about it and act accordingly. The price of its stock will surge and its trading volume will increase (the stock price will pick up momentum).

High-powered professional traders have systems that flash an “alert” or “signal” when a stock has an unusual price and volume surge. When they note it, they will buy and the price/volume surge will be magnified. Whenever a stock starts a new trend, it draws attention. Traders like to buy at the beginning of a trend. Therefore, when the price spikes up and the volume surges, momentum for the new trend builds.

China Lodging Group, Ltd (ADR) (NASDAQ:HTHT) last session’s volume of 305,279 shares was higher than its average volume of 153,067 shares. The 2.03B Company on Dec. 21, 2015 announced that its board of directors declared a one-time cash dividend of US\$0.17 per ordinary share, or US\$0.68 per American Depositary Share (“ADS”). Holders of the Company’s ordinary shares at 5:00 p.m. on December 31, 2015 (China Beijing Time) and holders of the Company’s ADS at the close of business on December 30, 2015 (U.S. New York Time) (the “Record Dates”) will be entitled to receive the cash dividend. Citibank, N.A., depositary bank for the Company’s ADS program (the “ADS Depository”), expects to pay out dividends to ADS holders on or around February 4, 2016. Dividends to be paid to the Company’s ADS holders through the ADS Depository will be subject to the terms of the deposit agreement by and among the Company and the ADS Depository, and the holders and beneficial owners of ADS issued thereunder, including the fees and expenses payable thereunder.

U.S. Energy Corp. (NASDAQ:USEG) recently exchanged hands on above-normal volume of 300,765 shares compared with average daily volume of 111,697 shares. The 5.49M Company on Nov. 09, 2015 reported its third quarter 2015 highlights and selected financial results for the three and nine months ended September 30, 2015.

Third quarter 2015 production came from a total of 149 gross (20.88 net) wells. During the quarter the Company produced 80,673 barrels of oil equivalent (“BOE”), or an average of 877 BOE per day (“BOE/D”) as compared to 142,484 BOE or an average of 1,549 BOE/D during the three months ended September 30, 2014. Sequentially from the second quarter of 2015, production during the third quarter decreased approximately 2.2% as a result of normal production declines and fewer wells being drilled due to low commodity prices.

During the third quarter 2015, we recorded a net loss after taxes of \$23.7 million or \$0.84 per share basic and diluted, as compared to a net loss after taxes of \$63,000, or \$0.00 per share basic and diluted, during the same period of 2014. During the three months ended September 30, 2015, the Company recorded a proved property impairment of \$21.4 million related to its oil and gas assets, which represents \$0.76 of the \$0.84 per share loss. The impairment was primarily due to a decline in the price of oil. There were no proved property impairments recorded during the three months ended September 30, 2014.

Moelis & Company (NYSE:MC) stock traded at a volume of 271,734 shares versus 30-day average of 110,325 shares. The 575.79M Company on October 26, 2015 announced the appointment of John A. Allison, as an independent member of the Board of Directors.

Mr. Allison currently serves as Chairman of the Executive Advisory Council of the Cato Institute’s Center for Monetary and Financial Alternatives, and as a member of the Cato Institute’s Board of Directors. He was President and CEO of the Cato Institute from October 2012 to April 2015. Prior to joining Cato, Mr. Allison was Chairman and CEO of BB&T Corporation, one of the largest financial services holding companies by assets, headquartered in the United States. During Mr. Allison’s tenure as CEO from 1989 to 2008, BB&T grew from \$4.5 billion to \$152 billion in assets.

“John has an impressive track record as a leader in the financial services industry,” said Ken Moelis, Chairman and CEO of Moelis & Company. “We are delighted to have him on our Board of Directors. Through his experience growing BB&T and now as a Chairman at the Cato Institute, John will undoubtedly bring a unique perspective to our Board, our Firm, and our clients.”