

Frazier's Strategic Allocator

Avoid the big downturns and profit from the upturns



Trade Alert

June 19, 2014

SPECULATIVE PORTFOLIO

Action: Sell MakeMyTrip Ltd.

Ticker Symbol: MMYT

Sell Price: At the Market

Dear Member,

After advising those of you who follow our Speculative Portfolio recommendations to hold **onto MakeMyTrip Ltd. (MMYT)** for approximately two and a half years, and at one point being down 56% in that stock, if you bought MMYT when I first recommended it for purchase on November 11, 2011 your position in the stock was up approximately 16.3% as of yesterday's close.

When I first analyzed MakeMyTrip during late 2011, my research indicated that the company would perform very well for several years and that its stock would be a big winner. Unfortunately, the company's operating performance over the past couple of years failed to meet my expectations.

Looking forward, financial market speculators now appear to think that MakeMyTrip will perform well during the months ahead, with its stock closing on June 18 at a price-to-sales ratio of approximately 5.3. That's an extremely high sales multiple for a company whose management is projecting that the company will continue to lose money, on a net income basis, for the fiscal year ending March 31, 2015.

In light of the fact mentioned above, and the fact that MMYT appears to have run into a major price-resistance level after closing yesterday in overbought territory, I advise you to sell MMYT in accordance with the trade instructions outlined above.



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