



Why Prospect Capital Corporation (PSEC) Could Be A Winning Pick For Good Stock Returns This Year

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2016 alone the stock has advanced 14.85% YTD and that is not all, Prospect Capital Corporation (PSEC) could be a big pick for great returns for the remainder of 2016.

A lot of analysts believe that Prospect Capital Corporation (PSEC)'s stock has always been undervalued by the market. But that is not really the most important

thing. Stock indicators so far for [Prospect Capital Corporation \(PSEC\)](#) shares are looking very solid.

Key Indicators For Prospect Capital Corporation (PSEC) Stocks

For many investors the most important thing is where a stock is going rather than where it is at the

Prospect Capital Corporation (PSEC) stocks have provided solid profits for investors in recent years. In

◀ moment. Here are some important indicators to note about Prospect Capital Corporation (PSEC) stocks:

Earnings Per Share (EPS)

EPS is basically the amount of money each share will be worth if a company decided to pay its profits to all the shareholders. EPS is calculated by dividing the company's profits with total shares. EPS is a good measure to assess how companies in the same space compare with one another. A steady EPS growth and a consistent growth in earnings mean that a company will normally outperform others in the same industry or space. For the past five years Prospect Capital Corporation (PSEC) has seen an EPS growth of 47.20%. Analysts in Wall Street expect the company's EPS to grow by 5% in the next five years.

Price To Earnings (P/E) Ratio

The PE is defined as the relationship between the earnings of a given company and its stock price. P/E is computed by dividing the current share price of a given company by its Earning Per Share or EPS. The P/E can tell you whether a company's stock value is too high or too low compared to its earnings. Companies that have high P/E might be considered overpriced. However, High P/E could also mean a company has the potential of offering high returns and a relatively higher P/E in the future. Prospect Capital Corporation (PSEC) has a P/E of 26.34 which is relatively solid compared to other competitors.

Price To Earnings Ratio To Growth Ratio (PEG)

PEG is often used to give more clarity to the Price to Earnings



ratio. PEG is calculated by dividing the P/E ratio with the projected earnings growth of a given company. PEG can give you a hint or an insight of whether a stock will be a good value or not. If the PEG is low, the less likely it is for investors to have to pay in order to get in on the projected company growth in the future. At the moment, Prospect Capital Corporation (PSEC) has a PEG of 5.27 which is also solid compared to other competitors in this space.

Other Important Factors To Note About Prospect Capital Corporation (PSEC)

Total Returns since 2015 have been largely positive for the company albeit volatility has been quite high. In addition to this, Net Investment Income on a year-over-year basis increased by \$6.5 million or \$0.01 per share as per the last released results. First quarter Net Investment Income was \$87.6 million. A slight

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improvement from the \$87.4 million recorded during the same time last year.

All these statistics indicate that the company is in it for the long haul and there are enough indications that growth will continue in the near future. Projections for Q3 this year are also not bad. The company is expected to see a 2.4% jump in revenues on a year-over-year basis. It's clear that Prospect Capital Corporation (PSEC) stocks have not tanked in any way and share prices are holding steady as we speak. The long term prospects are definitely looking positive and solid for any investor.

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