



S-Trader





FMV | Fair Market Value Function

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Description

The Fair Market Value (FMV) was developed as part of the Structural Valuation Analysis investment research system of the Strategic Analysis Corporation (SAC).

It is based on the concept of a Hurdle Rate of earnings, which is the threshold level of income required for the company to maintain its current state. This threshold is directly related to the size and structure of the balance sheet itself.

The Fair Market Value compares the adjusted book value of an entity to its 12-month forward projected earnings based on consensus analyst estimates. The FMV is used as a guide to the fair value for the underlying security within the SVA framework. Note that in early stage, high growth, and high momentum securities, the FMV can substantially lag the price series, and certain balance sheet structures will not yield a meaningful result for the FMV calculation.

To learn more about Structural Valuation Analysis, [visit the website of Strategic Analysis Corporation](#).

Formula

The formula is proprietary to SAC.

Parameters

None

n/a

Output value(s)

There is one output value, the FMV function.



Plot

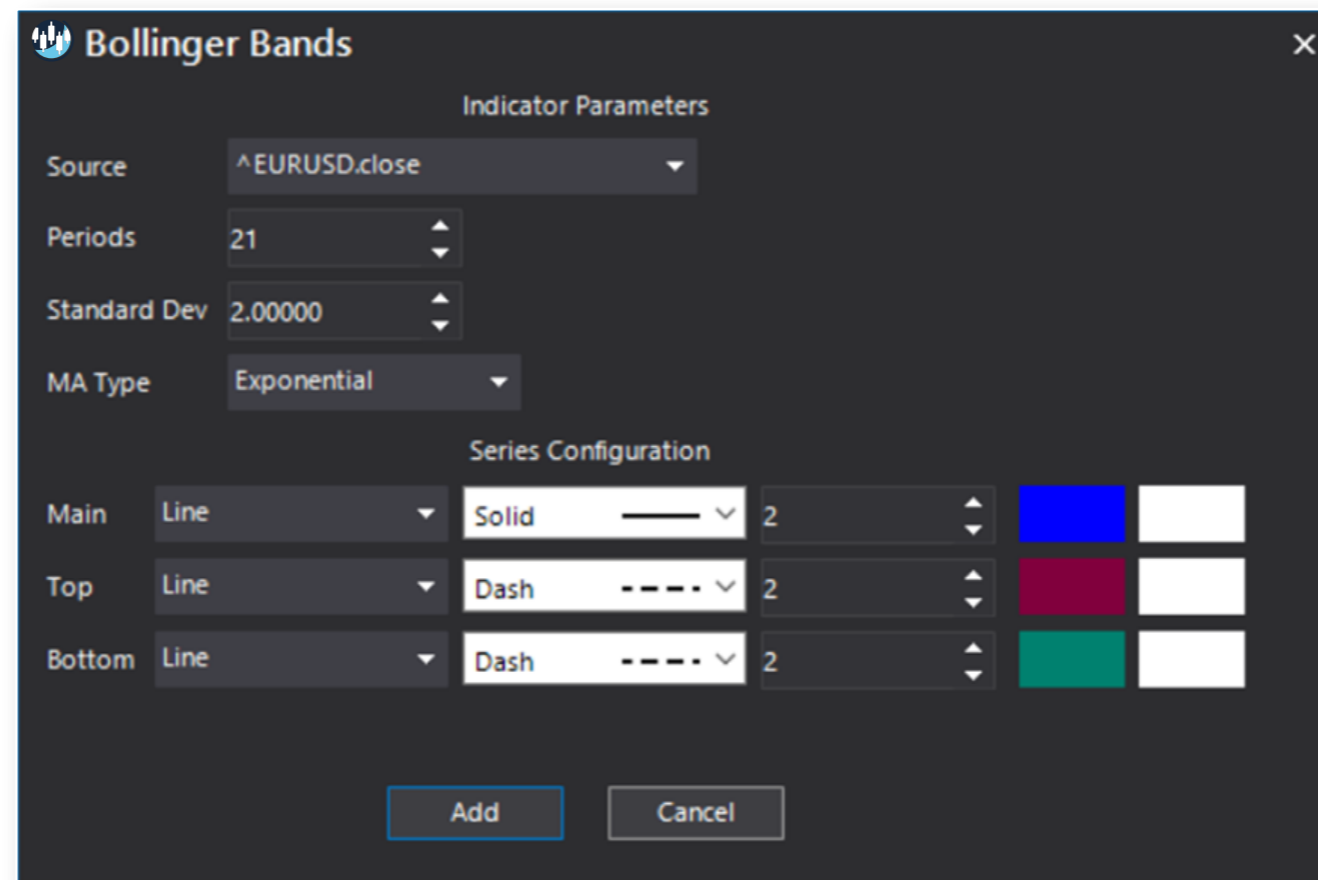
The plot is an overlay inside the price series panel.

Quant Script™ Syntax

Short Form	<i>n/a</i>
Long Form	<i>FMV_function()</i>

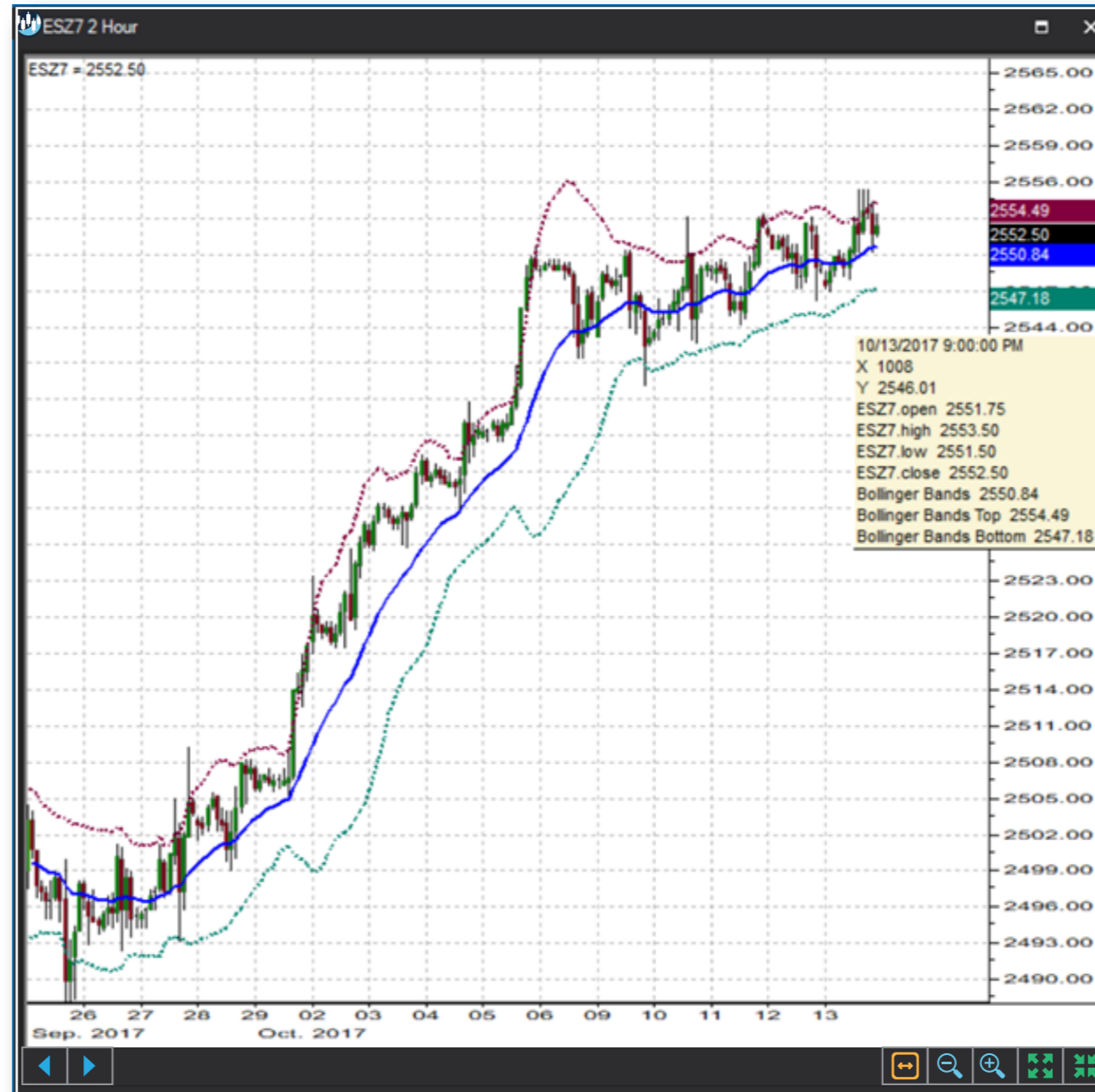
Dialogs

Chart Study Dialog



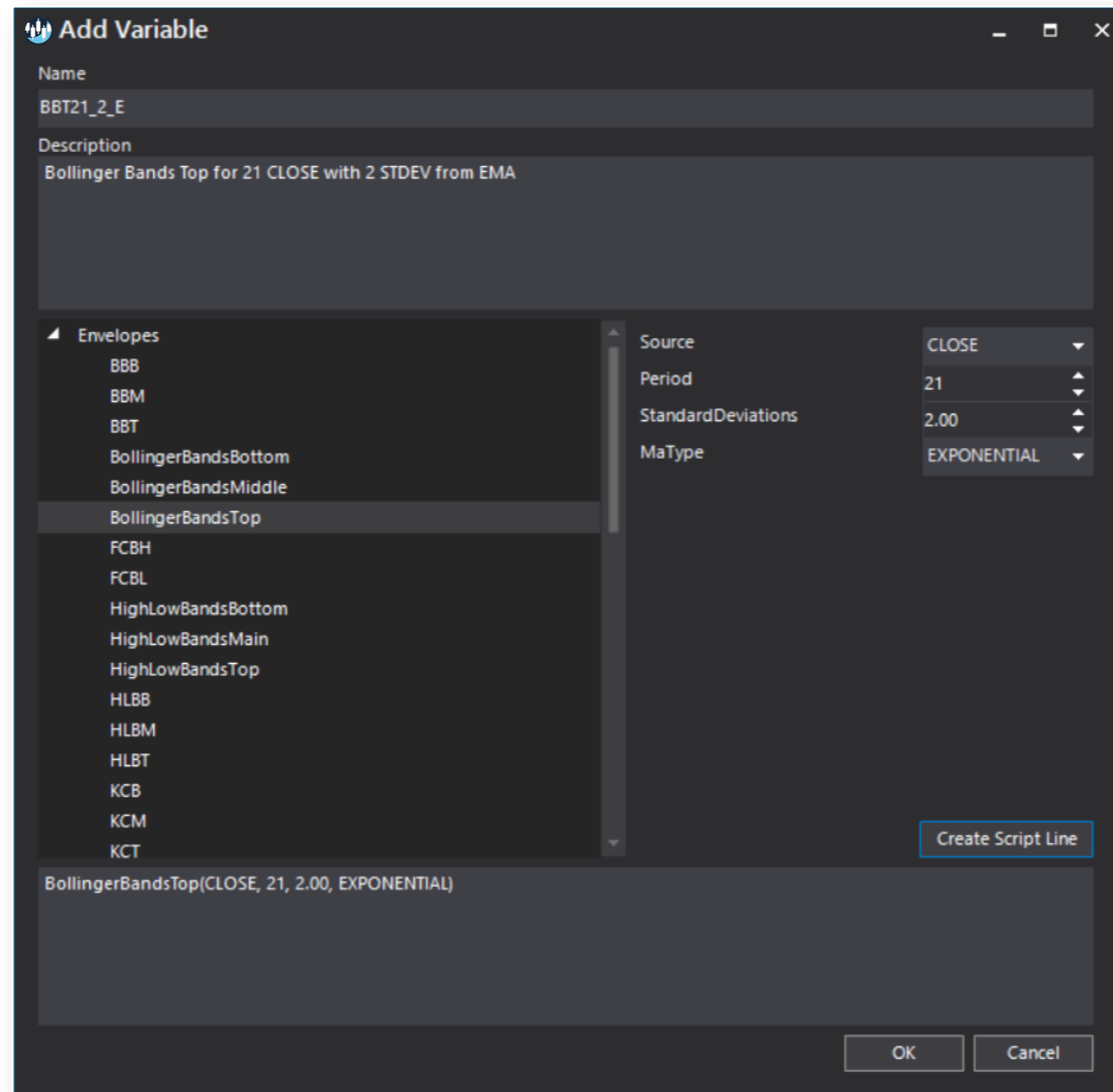


Sample Chart With Study





Quant Script™ Wizard Study Dialog





Quant Script™ Study Dialog

