



Edition – 7th

Date – July 2025

Portfolio – Value Stocks

Hershey Foods Corp - [HSY]

HSY Hershey Foods Corp. NYSE © StockCharts.com
 3-Jul-2025 Open 166.64 High 178.06 Low 164.80 Close 176.47 Volume 6.7M Chg +9.48 (+5.88%) ▲



JNJ Stock Breakdown

Dividend Yield*	3.11%
Sector	Staples
Industry	Food Products
EWM Initial Buy	5/1/2025
Closing Price on 5/1/2025	\$165.73
EWM Price Target	\$219

*As of 7/3/2025

Hershey's Synopsis

Economic Influence

Prices of sugar & cocoa have begun to show signs of weakness after moving higher for the last 24 months. An easing of these commodities may help improve HSY's bottom line and lead to a rally in the stock.

Fundamental Factors

HSY remains committed to a dividend payout ratio of at least 50%. This demonstrates the health of their balance sheet as well as their ability to return value to shareholders.

Technical Support

The chart above shows a sharp decline in price from 2023 through 2024. This pattern gives us confidence that the stock may be bottoming and starting its next larger move higher.



Industry Indicators

HSY continues to lead its industry in growth and acquisitions through 2025. In April, the company bought LesserEvil™, which provides product diversification into healthier snack segments.

Company Profile

- The company was founded in 1894.
- Headquartered in Hershey, PA.
- Hershey is a leading snacking powerhouse, with a growing portfolio of over 90 brands.

Did you know?

- The Hershey Company has the largest chocolate-manufacturing plant in the world.
- Hershey started as a subsidiary to Lancaster Caramel Company in 1894.
- Hershey was first traded on the New York Stock Exchange in 1927.

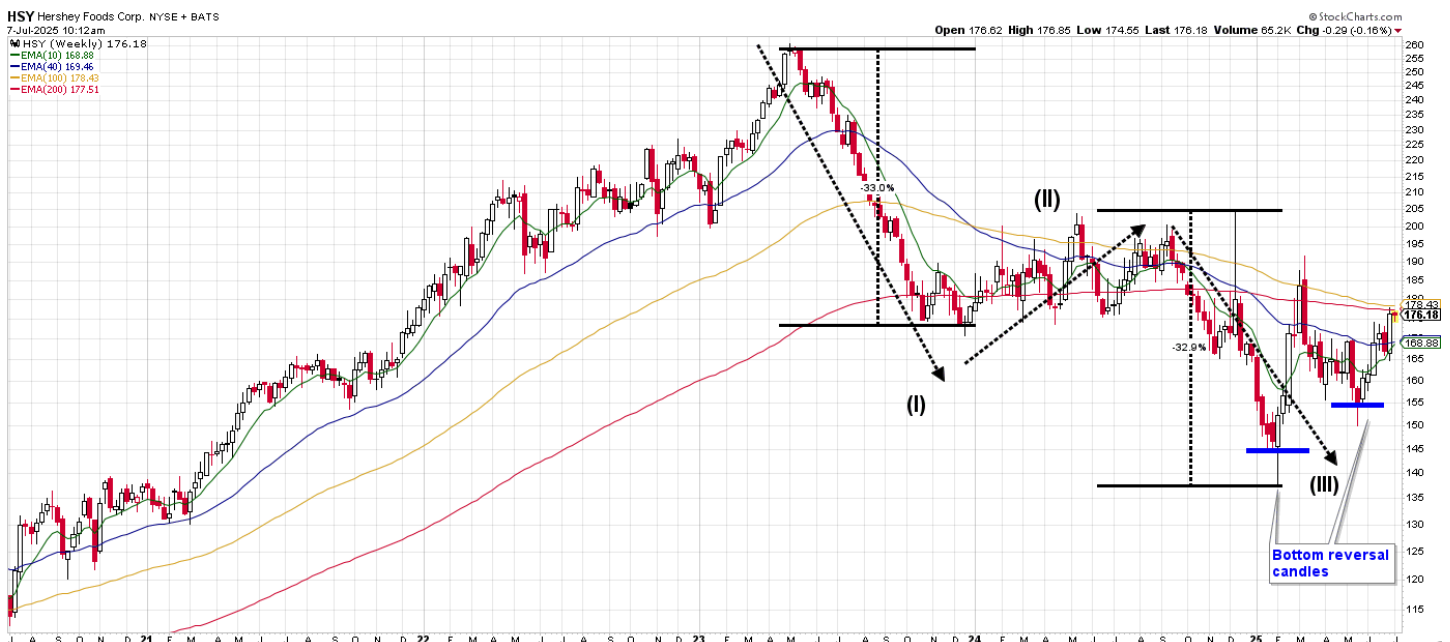
See page 2 to read the FULL STORY

Hershey Foods – Full Story

A company that most of our clients are very familiar with, Hershey has been a cornerstone in the snack food industry for the last century. Over the last five years, this stock has gone from vastly outperforming the market during Covid through the 2022 bear market to vastly underperforming from 2023 through the end of 2024. Currently, the stock stands at a crossroads as tariffs and key ingredient prices put pressure on the company's margins.

We began building this position in early May as the stock came on our radar with strong technical support and posted strong earnings beat. Shortly after, prices of cocoa began to ease and as a result, Hershey's stock price started moving higher. With the stock price sitting nearly 50% from its 2023 high, we are optimistic on the upside potential for growth.

Our main objective in the **Value Stock** portfolio is to build positions in companies that we believe have technical and fundamental strength. The combination of these two factors has helped EWM navigate the volatility during 2025 and reposition portfolios for potential growth over the next 12-24 months. The 5-year chart below depicts Hershey's stock price during its epic rally from 2020-2023 and the 46% downfall that followed. Typically, stocks make corrective (downward) movements in three step patterns referred to as waves [down, up, down]. The roman numerals show the three waves, and historically, the best setups occur when waves 1 & 3 are the same percentage moves. HSY displayed that key pattern mentioned above as waves 1 & 3 were both -33% moves from top to bottom. After that mirroring move occurred, the chart created a bottoming candle (first **blue line**) which was followed by a larger move higher. We waited for an opportunity on the next pullback and received confirmation in early May when the stock flashed another bottoming candle at a higher price (second **blue line**). This confirmation is what we look for when entering in a position that we believe could turning a corner. A break above the \$190 level will be a key area to watch over the coming months.



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