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August 29, 2014 - Time To Sell Digital Ally Inc.? - By Jeffrey Hagenmeier



The stock for Digital Ally has been rocketed upwards recently. On Friday **August 22**, the share price for the company had increased to **\$7.94 USD** (United States Dollar). At the beginning of the week it had been selling for **\$3.50 USD**. The following Monday the stock increased **\$12.50 USD**. By Tuesday it has moved up to **\$14.28 USD**. On Wednesday came retrenchment closing the day at **\$11.49 USD**. The next day witnessed a steady upward march finally closing at **\$15.68 USD on Thursday August 28th**. The question for investors in the company stock this morning, before the market opens is obvious. Will there be another reversal or will the stock move higher?

This investor believes the upward trajectory will continue. Of course it might be prudent to choose a target. The increase for 2 weeks has been in excess of 400%. Would a more than 800% increase be sufficient? If you are judicious this would simply require one to double the price of the stock at the close of business yesterday. This would give one an **estimated target of \$31.36 USD**. This would be for the short term investor.

The reason that one might suggest a short term target is that the stock seems to be moving up too quickly to be sustainable. If one wishes to make the company a long term investment, you may wish to not set a target. However, you will miss out in being able to lock in some of the gains that will be possible now.

Long term investors in Digital Ally Inc. may wish to consider some of the negatives as well as positives associated with the company.

The demand for the products the company sells will continue to grow. In the aftermath of what happened in Ferguson Missouri, calls for arming more police officers and law enforcement officials with body cameras will only increase. So market interest will be maintained indefinitely.

On the other hand, before the recent surge in demand for the company's products, there were several problems that needed to be addressed. Earnings per stock share have been declining somewhat. Net income for the company has also been reduced substantially. Cash flow is decreasing despite the recent gain in the gross profit margin. This is an indication that the company is not being run as efficiently as it should be. Long term investors in the company need to consider these issues associated with the company. This is despite the present interest in the products the company is responsible, in creating. These difficulties will not go away easily and need to be taken fully into account.

There is another option for investors. One could sell at the higher price in the short term for a quick profit and then buy back the shares during a major reversal.

An investor can also consider the idea that given the present market, there may well be a consolidation in the industry. This can lead to a corporate merger or buyout with another company like Taser.