

Norron Added to Veoneer Ahead of Stock Bounce

Stockholm (Hedgenordic) – Swedish multi-strategy hedge fund Norron has made some well-timed additions to its positions in the Veoneer stock in December, data from Morningstar suggests.

Veoneer, a company focusing on software, hardware and systems for the automotive industry, providing solutions for active safety, autonomous driving, occupant protection and brake control, has had a difficult journey on the stock market since being spun off from Autoliv in July of last year. As of January 3, the value of the share had shed 46 percent since its first day of trading on July 2, 2018.

However, since January 3, the Veoneer share price has surged 24 percent on the back of easing concerns regarding the trade dispute between the US and China along with positive company specific news. The company announced an increase in its order book of 40 percent for 2018 triggering positive analyst commentaries. Veoneer also announced it had signed an agreement with a global car manufacturer for its Lidar-system serving self-driving cars.

According to Morningstar data, Norron, through its Active, Alpha, Select and Target funds, had increased its Veoneer exposure in the range of 27 to 34 percent in December. In a comment to Hedgenordic, Oskar Ormegard (pictured), portfolio manager at Norron says:

“After the EV has fallen close to 70% from highs in late September we found that the stock was more reasonably priced. We believe that Veoneer has some interesting years ahead, but there has been a question mark from the market during the last quarter whether Veoneer has a competitive offer or not. The comments from the company yesterday shows that the market has been too negative in their order expectations.”