

GE shares plummet as company sees 'significant' headwinds

Hong Kong, Mar 8, 2019 (IssueWire.com) - General electric shares saw a tumble after a spokesperson for the company pointed out the significant headwinds for its industry division in 2019.

The most recent announcement came in the form of a prepared slideshow for JP Morgan's transportation, Aviation and industrials conference in New York this week. According to GE's slideshow, the expected headwinds include impacts from "legacy projects and structure and supply chain finance transition" and these effects will meaningfully lesson through the years of 2020 and 2021 respectively.

Ceo of GE Larry Culp, recently stated during the conference presentation, that he sees this year's industry free cash flow in negative numbers, according to a Bloomberg report. Shares of GE declined over 6.45% to \$9.71 per share as of the time of writing this article, the stock fell as much as 7.7% at the session lows based on the announcement, which was the largest intraday drop since November.

GE's least reported in their quarterly earnings reports at the end of January that industrial free cash flow, totalled almost \$4.5 billion USD in the year of 2018. A very important statistic in the eyes of an investor to measure the companies' efficiency.

Ge went on to note that it is actively looking to reduce leverage in the hopes to improve its financial positioning and give more strength to their business, "starting with power." Revenue in the GE power unit, which as stated in their annual report comprised of almost 25% of their total industry revenues, declined over 22% year over year, for the 12 months that ended in December, Ge powers total losses in the financial year of 2018 totalled \$808 million USD, which for investors had a mixed response.

What investors are currently looking for is a trend in GE's revenue, and earnings reports, if their next quarterly results show improvement then investors feel it would be the correct time to step up and buy this giant. However, what we may see with the speculated turbulence ahead is that GE may continue on a downward trend throughout 2019 and potentially give investors a very nice low point to buy in on. The only possibility at this point is to wait to see how GE react to their share value decrease and hopefully we will see a positive trend in the short term.

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