

# Efficient Portfolio Analysis with Stock Rover

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## Demo Portfolio: Diversified Stocks Portfolio

- Made up of stocks that looked good at the time
- Tried to keep a balance of sectors

## Goal for Analysis

- Check portfolio performance
  - Ensure stocks are doing well
  - Ensure stocks are doing well in their sector and industry
- Flag any stock that is underperforming its industry or the portfolio
- Look for replacement stocks that are underperforming
- Check correlation of portfolio
- Check correlation of replacement stocks for the portfolio

## Check Overall Portfolio Health

- Load portfolios in table by clicking “My portfolios”
- Mouseover portfolio to get more information in a tooltip (Options→Tooltips→”Show ticker cell tooltips in table”)
- Find the sector allocation in the Insight panel
- Find the “Top Movers” in the Insight panel
  - Let’s you quickly find the worst and best performers in any time period
  - Modify the columns so you can see the most important metrics
- Find news related to just the stocks in your portfolio
- Chart the portfolio
  - Add in S&P as benchmark and a baseline
  - Add in max drawdown (from the “Events” menu)

## Check the Market

- Chart S&P 500 in last two years
- Add in the SMA (from the “Technicals” menu) to see the trend

## Check the Sectors – 3 months

- Chart all the sectors in the last three months (right-click “Sectors” and choose “Chart all”)
- Add in S&P 500 as a baseline to see best and worst performing sectors
- Create a note with the best and worst sectors
- Compare with the sector allocation pie chart in the Insight panel

## Efficiency Tips

- ✓ Mouseover the portfolio in table for a tooltip for quick portfolio stats
- ✓ See portfolio allocation in Insight panel
- ✓ Find the top movers in Insight panel with variable time periods

- Modify the columns to show whatever you like
- ✓ Chart the portfolio's performance (and chart against the S&P)
- ✓ Add the max drawdown in chart as a gauge of risk
  - Compare against the same drawdown for the S&P
- ✓ Check the market trend by charting the S&P 500 with the SMA
- ✓ Chart all sectors against flatlined S&P 500 to find best and worst sectors
  - Create a Note with this information
- ✓ Compare sector chart with sector allocation pie chart

### Check Portfolio Holdings Performance in Past Three Months

- Load the portfolio in the table and group the stocks by sector (right-click any column header and select "Group By")
- Go through each sector and color-code stocks

#### Color-Code Guidelines

- Don't decide anything until after doing more fundamental research, but quick technical analysis reveals:
  - Red – weak price performance, don't replace these stocks
  - Green – strong performance, check fundamentals
  - Yellow – so-so price performance, replace with similar but better stocks

### Consumer Cyclical

- Reference the Note to see if this is a good or bad sector
- Chart this sector with a two-year time period
  - Add in SMA to see the trend
  - Add in the MACD as well
- Chart all portfolio Consumer Cyclical stocks in past three months
  - Flatline sector to see how they measure up
- Color-code stocks red, green, or yellow

#### Efficiency Tips

- ✓ Add technicals to a sector to gauge its health
- ✓ See stock allocation within a sector
- ✓ Multi-select from table to add several stocks to the table at once
- ✓ Flatline a sector to see relative performance
- ✓ Color-code stocks

### Energy

- Reference the Note to see if this is a good or bad sector
- Chart this sector with a two-year time period
  - Add in SMA to see the trend
- Click to see stock allocation in Insight panel
- Chart all Energy stocks in past three months

- Flatline sector to see how they measure up
- Take a closer look at stocks:
  - Add in sector and industry to stock, scroll through each one
- Color-code stocks
- Tag stocks

### **Efficiency Tips**

- ✓ Chart a stock against its sector and industry for relative performance
  - Also shows you how an industry is doing against its sector
- ✓ Scroll through each stock in the sector to find strong industries, and to find which ones are underperforming their industry
- ✓ Tag stocks for quick reference

### **Financial Services**

- Reference note to see if this is a good or bad sector
- Chart this sector with a two year time period
  - Add in SMA to see the trend
- Click to see stock allocation in Financial Services
- Chart all Financial Services stocks with three month time period
  - Add in sector and flatline
  - Add in portfolio and flatline portfolio
- Color-code and tag stocks

### **Efficiency Tips**

- ✓ Chart all stocks against flatlined sector
- ✓ Chart all stocks against flatlined portfolio → lets you see which stocks aren't contributing to the portfolio

### **Find Replacement Stocks**

- Group table by color
- Choose a yellow stock to replace
- Look at Performance, Valuation, Profitability, and Growth metrics in Summary tab
- Look at stock-specific news (Google, Yahoo, or Benzinga in news feed)
- Evaluate this stock's industry—do we want to stay in this industry?
- Go to Peers tab to find replacement
  - Filter by market cap to find similarly-sized companies
  - Sort by 3-Month Return vs. Industry
  - Add in interesting stocks to research ticker (click the green "+")
- Save potential replacements as a Watchlist

## Portfolio Reporting – Correlation: Overview

- All stocks in selected portfolio are listed in both rows and columns
  - o The intersection cell shows the correlation between the two stocks—mouseover for a tooltip
  - o Table is symmetrical across the diagonal
- Mouseover the identity cell for the most and least correlated stocks
- Overlaid heat map:
  - o Negative correlation in shades of purple
  - o 0 to 0.5 correlation in grey
  - o Positive correlation above 0.5 in shades of red
- Filter correlation table to find coefficients in a certain range
- Follow a row or column to see how one element correlates with all the others

## Correlation Analysis

- Unselect portfolio on left and instead add it in as a whole row
  - o Go through Diversified row and see how each stock compares
- Remove stocks from watchlist that are highly correlated
  - o Select and unselect watchlist to reload
- Or, select portfolio on left and type in specific tickers to check correlation

## Efficiency Tips

- ✓ Use Summary tab to get snapshot of company versus industry
- ✓ Use filtering and sorting in Peers tab to find promising replacements
- ✓ Add stocks in Peers tab as research tickers to the table
- ✓ Save research tickers as a watchlist
- ✓ Use Correlation table filtering to find high correlation in portfolio
- ✓ Add in portfolio as row/column in Correlation table and compare against watchlist