

Efficient Portfolio Analysis with Stock Rover

Announcements

- Alerts are available to all users through the end of the month
- Portfolio Modeling will revert to Premium only at the end of the month

Demo Portfolio: Diversified Stocks Portfolio

- Made up of stocks that looked good at the time
- Tried to keep a balance of sectors
- This is a demo portfolio only

Steps for Analysis

1. Check portfolio performance
2. Check the portfolio against the S&P 500
 - a. Check price performance of stocks (against sector, industry, and portfolio itself)
 - b. Check fundamentals (brief, in this webinar)
3. Flag any stock that is underperforming its industry or the portfolio, or looks unhealthy
4. Look for replacement stocks
5. Check correlation of holdings and of replacement stocks
6. Set Alerts on a portfolio
7. Model potential trades

Check Overall Portfolio Health

- Load all of portfolios in table by clicking “My Portfolios” in the Navigation panel
- Mouseover the portfolio name 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 with Benzinga, Google, or Yahoo “Ticker-Specific” news selected
- 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

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

Check Portfolio Holdings Performance in Past Year

- 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 based on first impressions

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 price performance, check fundamentals
 - Yellow – so-so price performance, replace with similar but better stocks

Energy

- Chart this sector with a variety of time periods
- Look at sector allocation in the Insight panel
- Chart all portfolio Energy stocks in past three months
 - Flatline sector to see how they measure up
- Do quick fundamental check in the Summary tab (Growth section)
- Color-code stocks red, green, or yellow
- Chart all Industries within Energy, see how they're doing against the sector and the S&P 500

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
- ✓ Check fundamentals in Summary tab
- ✓ Color-code stocks
- ✓ Tag stocks
- ✓ Chart all industries in a sector to find strong industries, and to find which ones are underperforming their industry

Healthcare

- Chart overall sector, compare against S&P 500
- Scroll through each stock, charted against its industry and sector
 - Add in fundamentals to the secondary chart
 - Consult the Summary tab
- Color-code stocks
- Tag stocks

Efficiency Tips

- ✓ Chart a stock against both its sector and its industry for relative performance
 - This helps evaluate the industry as well
- ✓ Add in fundamentals in the secondary chart

Technology

- Chart this sector with a two year time period
 - Add in SMA to see the trend
- Click to see stock allocation in Technology
- Chart all portfolio's Technology stocks with the portfolio set as baseline
- Color-code and tag stocks

Efficiency Tips

- ✓ Chart all stocks against a portfolio → lets you see which are most volatile
- ✓ Flatline the portfolio to see which stocks are pulling down portfolio performance

Find Replacement Stocks

- Group table by color, add Tag column (is using)
- Choose a yellow stock to replace (consult tag for reason for replacement)
 - Evaluate this stock's industry—do we want to stay in this industry?
- Go to Peers tab to find replacement for FORM
 - Filter by market cap, beta, EPS 1-Year Change, Volume, and any other desired trait
 - Sort by 1-Year Return vs. Industry
 - Add promising stocks to the table (click the green "+"), also add in original stock for comparison
- Save potential replacements as a Watchlist

Portfolio Reporting – Correlation: Overview

- All stocks in selected portfolio are listed in both rows and columns
 - The intersection cell shows the correlation between the two stocks—mouseover for a tooltip

- Table is symmetrical across the diagonal
 - The portfolio or watchlist as a whole also gets its own row and column
- Mouseover the identity cell for the most and least correlated stocks for that item
- Overlaid heat map:
 - Negative correlation in shades of purple
 - 0 to 0.5 correlation in grey
 - 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

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

Efficiency Tips

- ✓ Use filtering and sorting in Peers tab to find promising replacement stocks
- ✓ 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

Alerts

- Available to all users through the end of March
- Create an alert for a portfolio, and it sets an alert for each stock in your portfolio
 - For example, decreasing over industry over a set period of time, or a spike in trading volume

Portfolio Modeling

- See how trades and a replacement stocks would affect the composition of the portfolio