Roving for Stocks

A Presentation to the Boston Investors' Group
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Presentation Goals

1. Demo Stock Rover features to help you find and pare down a list of stocks.
2. Focus on initial research, point out options for drilling down further

Market Context

1. Stock Rover Markets
2. Stock Rover Weekly Brief
3. Chart sectors vs. S&P 500 over 1, month, 3 months, 1 year

Screening

1. Basic screening – simple filters, e.g...
   ROA > 5%
2. Equation screening – metric comparison or more complex filters, e.g...
   ROA [now] >= ROA [1 year ago]
   Sales [now] >= 2*Sales [2 years ago]
3. Ranked screening – weighting criteria for a score and rank, e.g....
   30% on profitability metrics such as ROA, 30% on growth metrics such as sales change, 40% on valuation metrics such as P/E

Example using all three methods:

Great Portfolio Screener

Stocks that meet our Great Portfolio quantitative criteria: growing mainstream companies that have solid financials and a reasonable valuation. Ranked according to weights on 40% financial health, 20% efficiency, 20% growth, 20% valuation.

Criteria:

EPS 5-Year Avg (%) > 0

Equation: "ROIC [Now] " > "ROIC [TTM1] "

Equation: "Sales 1-Year Chg (%) [Now] " > "Sales 5-Year Avg (%)"

Equation: "Operating Income 1-Year Chg (%)" > "Operating Income 5-Year Avg (%)"

Equation: "EPS 1-Year Chg (%) [Now] " > "EPS 5-Year Avg (%)"

Exchange: NASDAQ, NYSE

Growth Industry Decile < 5

Long Term Debt / Total Capital < 0.8

Market Cap ($M) > 2000

Operating Income 5-Year Avg (%) > 0

Sales 5-Year Avg (%) > 0

Rankings:

Highest	Free Cash Flow as a % of Sales	10%
Highest	Piotroski F Score	10%
Highest	ROIC	10%
Highest	Return on Assets	10%
Lowest	Financial Safety Sector Decile	10%
Lowest	Growth Industry Decile	20%
Lowest	Long Term Debt / Total Capital	10%
Lowest	Price / Earnings	10%
Lowest	Price / Free Cash Flow	10%

StockRover

Paring Down the List

In the Table:

1. Save as a watchlist
2. Apply screener ranking to watchlist
3. Group by sector
4. Compare in views
5. Open historical data to look for trends in the data

Other actions: Export for offline number-crunching, add column or create a custom view, filter, sort

In the Chart:

1. Link to Table and run through charts vs. industry, sector, and S&P500
2. Set ticker as a baseline for relative performance
3. Chart a subset from the watchlist together to compare performance

Other chart options: add events such as max drawdown and splits, use technicals to assess momentum, chart fundamentals for a visual story on financials, shortcuts for instant chart configuration, candlesticks, dividend-adjusted price

In the Insight Panel:

1. Summary – what is this company?
2. Homepage – the company's front door
3. Grades – a quick take on profitability, growth, and financial health according to Morningstar's strict criteria
4. Short interest – is it in a normal range?
5. Sales & EPS, growth – is the company growing earnings?
6. Analyst ratings and estimates – how do analysts feel about it? are estimates being revised up or down?
7. News – any significant headlines?
8. Peers – where does the company fall compared to its peers in valuation, market cap, returns, and any other metric you want to see?

Other Insight Panel resources: company filings, earnings transcripts, outside links, statements, customize Peers tab, load peers in the main table

Other Tools:

1. Research tickers (Quotes Box) – add in a ticker for comparison to the current list
2. Alerts – set alerts on individual stocks or whole watchlists/portfolios
3. Comments, notes, tags, and coloring for annotation and cataloguing
4. Correlation (last tab of Portfolio Analysis) – see how a new pick correlates with your current portfolio
5. Library – import sample screeners and more, share your own watchlists and screeners