

Disclaimer

- Today's webinar is for educational purposes only.
- Nothing in today's presentation should be considered a recommendation to buy or sell any security.
- All stocks and options shown are examples only
- Any pricing or potential profitability shown does not take into account your trade size, brokerage commissions or taxes which will affect actual investment returns.
- Stocks and options involve risk and are not suitable for all investors and investing in options carries substantial risk.
- Past stock or option performance is no guarantee of future price appreciation or depreciation.
- Prior to buying or selling options, a person must receive a copy of Characteristics and Risks of Standardized Options available at: <http://www.cboe.com/Resources/Intro.aspx>.

InvestorsObserver Workshop

InvestorsObserver Workshop

- What's going on at *InvestorsObserver*?
- Charts
- What Else is Happening?
- Hot Right Now
- Member-driven content: Questions, site demonstrations, etc.
 - Can prepare slides for questions submitted ahead of time: Mention “workshop”

What's going on at IO?

- We're working on an Android App
 - Hopefully done later this year
- Another big project also hopefully done by year end or Q1 of 2022
- Already planning big new developments for the rest of 2022

S&P 500



S&P 500
One Year

NASDAQ



Nasdaq
One Year

Russell 2000



Russell 2000
One Year

S&P 500 vs. S&P 500 EW



What Else is Going On?

- Federal Reserve, or really, guesses about what the Fed might do, driving markets
 - Everything is interest rates right now.
 - Market's responses to economic data is largely about what the Fed might do, not the actual news.
- Delta
 - People are worried about Coronavirus again
 - Had a few months over the summer where things were looking good
 - People changing behavior again
- JOLTS
 - Job Openings remain high
 - Quit Rate is also very high
- Supply chains
 - Stories in lots of industries are about difficulty in getting certain things
 - Windows
 - Bicycles
 - Semiconductors

Hot Right Now

- Real Estate
 - Specifically residential and industrial REITS
 - Retail REITs have also been strong.
 - Some of this is about interest rates, but there's also a lot of demand so leases are getting renegotiated at higher prices.
- Financial Services
 - Financial Conglomerates... Companies with a broad portfolio and no main source of revenue.
 - Specialty insurance... Mortgages are probably part of this, but also likely some hurricane-related items as well as new business formations.
 - Regional Banks... A good sign for small businesses
- Industrial
 - Uranium
 - Industrial Distribution
 - Staffing Services
- Off the list: Consumer Cyclical

Questions?

Best place to check for the "most recent" insider trading data - probably after hours, right. So much happens overnight.

Top three data indicators for growth over 25%? Marceen

- Insider activity is filed on a lag. It can be days or weeks. The most up-to-date source is EDGAR, the SEC's document management system.
- Those documents can be hard to parse... All the good stuff is in the footnotes.
 - Lots of these can be meaningless, tax sales, option exercises etc. are just the normal course of business
- Our news partner keeps up with these pretty well.
 - Filters for *real* buys and sells
 - Keeps track of company-wide trends... one small sale might be meaningless, but a company-wide trend of selling starts to look like something.

Questions?

I was wondering, since even the most pessimist analysts anticipate growth for Zynga, can it be considered a no brainer buy or is and update to come since last results? -- JS

CAVEAT: The most pessimistic analyst WHO COVERS ZYNGA...

- The incentive structure for Wall Street analysts is primarily in finding good stocks to BUY
 - Stocks that seem overvalued or otherwise unattractive may get a sell rating for a while, but are often dropped from coverage.
- This means that ratings, particularly for smaller stocks, tend to skew bullish.
- Analyst ratings are an important part of any analysis, but you should understand that you're only getting the opinion of one set of analysts.
- You should also consider YOUR strategy... are you planning to hold for exactly 12 months?
 - If you're looking for short-term trades, 12 months is forever
 - If you're looking to hold things for decades, 12 months isn't really relevant.
- Look at valuation and earnings history to see if what you see lines up with those targets.
 - Anything forward looking is a guess
 - Does your guess line up with the analysts' guess?

Questions?

Hi I have a question about. ISRG is going to split 2 shares for each share owned as of 9/27. The stock is now selling at \$1078,+ at the close on 9/7/21.

I understand splits don't change the value of the stock, but do you in general favor splits?--Marty

- Splits are largely irrelevant to the value of a stock.
 - It's the same pie, just sliced differently.
- On the low end you frequently see reverse stock splits to raise stock prices.
 - This lowers the share count and raises the price, which can help companies maintain minimum listing requirements and may provide some perceived boost in terms of “quality”
- On the high side, a lower stock price can increase liquidity. You lose a lot of investors with a \$1,000+ share price, particularly the smaller retail investors.
 - Fractional shares get rid of some of this, but not all of it.
 - Index inclusion, specifically the DJIA
- For investors, lower stock prices can be preferable
 - Can better calibrate position sizes
 - Makes options more useful. Small % movements in very high-priced stocks can cross a lot of strikes.

Questions?

1. I've been playing with the stock screener looking for good swing trades (days to weeks). I know you have guidelines for short-term and medium to long-term investors as well as the top 5 stocks. I'm not sure how to best put all this together to find the best 2-3 stocks to consider for swing trades each day. What process do "you" go through to find the best swing trade candidates each day? -- Jim

- To be totally frank: I don't have any such list.
- I think some combination of things with high Short-term technical scores and then keep an eye on Sentiment for things that are hot would work.

Questions?

2. Is it possible to create a watchlist where I can track a number of stocks daily without having to manually enter them each day? -- Jim

The watchlist lets you track a number of stocks. The list of potential candidates probably shouldn't change that much from day to day, you might add a few or take a few off of a longer list on a regular basis, but I wouldn't be starting a fresh list each day.

Questions?

3. Approximately what time each day can we expect updated scores to appear in the stock screener and option trades? -- Jim

Almost always before 6 a.m. ET, but it varies from day to day.

Stock scores are available first, and then option trades.

Questions?

I am new to trading and looking for tools to help me with evaluating stock purchases to give me additional confidence before making a stock purchase.

Is there a way to determine if a stock is over bought, over sold or a good price to pay for it? -- Dionna

Overbought and Oversold are typically used in a technical context. This means basically analyzing the prices and volume recently.

Price went up too fast is overbought, down too fast is oversold.

“A good price” tends to be closer to fundamental analysis, which involves an analysis of what the company does and how profitably it does it.

Over or under valued is what I would call this.

Questions?

is it possible to get a quick tutorial on how to use the options scanner explaining in depth the filters fields? -- Rocco