Different ways of analysis:

There are many different ways of analysing the statements and each way can be valid under different circumstances. The most popular ways are:

- Trend analysis
- Benchmarking
- Dividend discount

Trend Analysis:

In trend analysis you want to look at the trend of metrics and ratios for a specific company over time. Analysing this data you can gage if the company is improving on their numbers and if there is a positive trend in their numbers. You are using trends as you would use in technical analysis on prices but now on actual fundamentals. If the trend is strong in one direction, that could signify a continuation in price direction. If there is a break in the trend, that could signify a reversal in price direction. You can also look for support and resistance levels in the ratios which can tell you levels where supply or demand for the stock should increase.

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