

VALUE COST AVERAGE (VCA) CHEAT SHEET

This cheat sheet is a step by step process on how to locate the most recent highs using the VCA strategy:

Step 1.

Open a chart using daily candles and locate all the lows the stock has been over the last year, as identified by the blue arrows in the picture below (**remember we will be using daily candles**).



Step 2.

Once we find the lows we have to measure if the stock from the low has recovered 20% or more. Remember when measure from the low to high we always measure left to right (As seen in the picture below).



If the recovery is not 20% we look at the next low (on the left) and measure for a 20% recovery. We do this until we see that the stock has recovered 20% from the low. Once we have found a 20% recovery then we would have found our new high.



Step 3.

Once we have located our current high, we can start placing orders in relation to the VCA strategy.



When we are buying, we are looking to enter the market at 20%, 30%, 40% etc. Drops from the current high. Please use the VCA calculator in the tools section on the trading club.



VCA CHEAT SHEET

FUNDAMENTALS

When we look at fundamentals of VCA the main thing we are trying to decide is if this is a safe investment and answer the question can this go to zero?

We use Finviz as our main platform to look for VCA fundmanetals for American companies.

JOUT [NASDAQ]
Johnson Outdoors Inc.
Consumer Cyclical | Leisure | USA

Index	1.318	P/E	16.85	EPS (ttm)	7.54	Insider Own	4.80%	Shs Outstand	10.07M	Perf Week	-7.74%
Market Cap	76.10M	Forward P/E	15.12	EPS next Y	8.40	Insider Trans	-5.30%	Shs Float	8.17M	Perf Month	-14.54%
Income	76.10M	PEG	1.20	EPS next Q	2.50	Inst Own	76.40%	Short Float	1.47%	Perf Quarter	2.91%
Sales	674.90M	P/S	1.94	EPS this Y	7.00%	Inst Trans	2.34%	Short Ratio	3.40	Perf Half Y	49.94%
Book/sh	42.06	P/B	3.02	EPS next Y	5.00%	ROA	19.50%	Target Price	180.00	Perf Year	84.54%
Cash/sh	18.15	P/C	7.00	EPS next 5Y	14.00%	ROE	19.50%	S2W Range	69.08 - 154.18	Perf YTD	12.76%
Dividend	0.84	P/FCF	24.59	EPS past 5Y	38.10%	ROI	13.90%	S2W High	-18.61%	Beta	0.95
Dividend %	0.66%	Quick Ratio	2.60	Sales past 5Y	6.70%	Gross Margin	45.10%	S2W Low	81.66%	ATR	5.53
Employees	1700	Current Ratio	3.60	Sales Q/Q	26.40%	Oper. Margin	13.70%	RSI (14)	34.36	Volatility	3.95% 3.88%
Optionable	No	Debt/Eq	0.00	EPS Q/Q	35.70%	Profit Margin	11.30%	Rel Volume	0.54	Prev Close	127.00
Shortable	Yes	LT Debt/Eq	0.00	Earnings	May 07 BMO	Payout	10.60%	Avg Volume	35,40K	Price	125.49
Recommend	1.00	SMA20	-9.30%	SMA50	-12.11%	SMA200	14.44%	Volume	15,164	Change	-1.19%

The list of fundamentals we look for are as follows;

Market cap =	more than 1 billion
Income =	positive
PEG =	Below 1
Debt/Equity =	Below 0.35
EPS next year =	10% or more
EPS next 5 years =	10% or more
Institutional Ownership =	Above 60% but below 90%
ROA =	5% or more
ROE =	5% or more
ROI =	5% or more

Now when it comes to large blue chip companies, we will see most of the time the PEG and Debt/Equity does not match the criteria but that is ok as long as all other fundamental meet the criteria.

