The 25 Most Used Filters For Stock Screens

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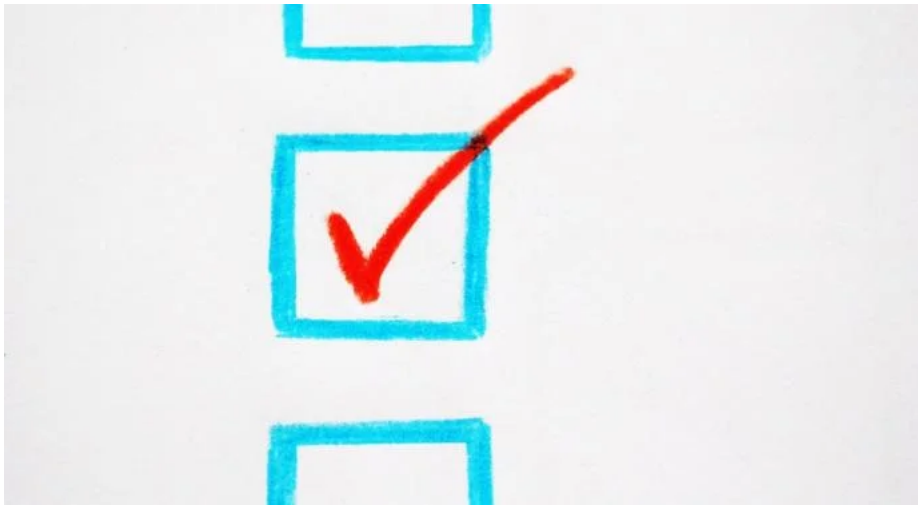
October 13, 2017 12:20pm | 13 min read | Comments



finbox.io's community has created and saved thousands of screens over the years using our intuitive Stock Screener. Our stock screener supports an ever-expanding list of metrics that can be used to find the gems hidden in a sea of data.

Since we're proud to have some of the smartest investors around the world using our platform, I recently aggregated a list of our user's most frequently used fundamental and technical screening metrics. In this post, I would like to share this data with our community in hopes of inspiring even more insightful stock screens.

#1. Market Capitalization

No surprise here. Market Capitalization or "Market Cap" is a public company's total equity value as implied by the stock's last observed trading price. For example, a stock that traded last at $50 a share and has 1 million shares outstanding will have a Market Cap of $50 million.

Calculation Details

```
Market Capitalization =
  Current Stock Price
  (x) Shares Outstanding
```

Market Cap is frequently used as a proxy for company size. Since the calculation accounts for the market's expectations of value, it is a better indicator of size than alternatives like Revenue and Total Assets.

For instance, a promising biotech company may be in the Research and Development phase with hundreds of employees and still have little or no revenue.

Market Cap is commonly used to group stocks into five categories: Large-Cap, Mid-Cap, Small-Cap, Micro-Cap, and Nano-Cap. The following table summarizes the classification ranges for each category:

Category	Range
Large-Cap	Greater than $10 billion
Mid-Cap	$2 billion to $10 billion
Small-Cap	Around $300 million to $2 billion
Micro-Cap	$50 million to $2 billion
Nano-Cap	Less than $50 million

View Example Market Cap Stock Screen

Lookup Any Stock's **Market Cap**

#2. Sector

The finbox.io stock screener offers the ability to screen based on the following sectors:

Sector	Examples
Consumer Discretionary	Retailers, Media, Consumer Service Providers, Apparel
Consumer Staples	Food And Beverage, Groceries, Cosmetics
Energy	Oil And Gas Exploration And Production, Refineries, Power
Financials	Banks, Insurance, Investment Funds
Healthcare	Biotechnology, Hospital Management, Medical Devices
Industrials	Aerospace, Defense, Machinery, Construction, Manufacturing
Information Technology	Electronics Manufacturers, Software Developers, Social Media
Materials	Mining, Refining, Chemical, Forestry
Real Estate	Real Estate Investment Trusts, Property Managers
Telecommunication Services	Internet Service, Wireless & Cable Providers, Satellite Companies
Utilities	Electricity, Gas, Water

View Example Sector Stock Screen

Lookup Any Stock's **Sector**

#3. Fair Value Upside (finbox.io)

Fair value is the value of a stock based the tangible and intangible factors that contribute to its ability to deliver value for shareholders. Fair value is a stock's real value, which may or may not be similar to the current value reflected in the market.

Discrepancies between the fair value and the current market value create opportunities for investors to purchase assets that can provide excess returns.

Finbox.io Fair Value is our proprietary estimate of intrinsic value. We calculate fair value estimates by applying dozens of valuation and risk models to the subject company. These models take into account factors such as credit risk, expected future cash flows, current valuation multiples, valuations of peers and more.

Fair Value Upside (finbox.io) compares finbox.io Fair Value to the current stock price.

Calculation Details

```
Upside = Fair Value / Current Stock Price - 1
```

Note, "Upside" is also known as "Margin of Safety" and the calculations are equivalent. At finbox.io, we refer to it as "upside" for brevity.

View Example Fair Value Upside Stock Screen

Lookup Any Stock's **Fair Value Upside**

#4. Description

The **Description** filter is one of my personal favorites. While the "Sector" filter is great for broad categories, the Description filter is a powerful way to search for stocks using keywords like "beer", "baseball", and "flowers".

View Example Description Stock Screen

Lookup Any Stock's **Description**

#5. Index Membership

Stock Indices are commonly used to group the performance of stocks by classifiers like the exchange on which they trade, size, sector, etc.

At the time of this writing, finbox.io supports the following Indices:

Index Membership	Description
S&P 500	Widely regarded as the best single gauge of large-cap U.S. equities, the index includes 500 stocks covering around 80% of available market capitalization.
Dow Jones	A price-weighted measure of 30 U.S. blue-chip companies
Nasdaq	Common stocks and similar securities listed on the NASDAQ exchange
Russell 1000	Broader index of Large-Cap stocks from which most active money managers typically select
Russell 2000	Serves as a benchmark for Small-Cap stocks in the United States

View Example Index Membership Stock Screen

Lookup Any Stock's **Index Membership**

#6. Piotroski Score

The Piotroski Score is a stock score developed by Stanford accounting professor Joseph Piotroski. In his paper, Professor Piotroski shared the results of a 20-year backtest that showed a 7.5% increase in returns.

To score a perfect 9 Piotroski Score, a stock must meet each of the following criteria:

- Change in Debt / Total Assets < 0
- Change in Current Ratio > 0
- Change in Diluted Shares Outstanding < 0
- Return on Assets > 0
- Operating Cash Flow > 0
- Change in Return on Assets > 0
- Operating Cash Flow > Net Income
- Change in Gross Margin > 0
- Change in Asset Turnover > 0

View Example Piotroski Score Stock Screen

Lookup Any Stock's **Piotroski Score**

#7. Return on Invested Capital (ROIC)

Return on Invested Capital is used to evaluate the ability of the company to create value for all its stakeholders, debt and equity. ROIC can be used to benchmark companies within an industry, but it is also useful to consider its relationship to the Weighted Average Cost of Capital (WACC). A company cannot operate indefinitely without covering its cost of capital.

There are various ways to calculate ROIC, but at finbox.io we prefer the following equation because it measures operating performance without differences caused by the use of debt in the capital structure:

```
ROIC = NOPAT / Average Invested Capital

Supporting Calculations:
Invested Capital = Total Debt + Total Equity
NOPAT = EBIT * (1 - % Tax Rate)
```

View Example Return on Invested Capital Stock Screen

Lookup Any Stock's **Return on Invested Capital**

#8. Analyst Price Target Upside

Upside (Analyst Target) is the percentage increase (if positive) or decrease (if negative) that professional analysts expect over the current stock price. Price targets set by analysts typically reflect what they believe the stock will be valued at over the next 12 to 18 months.

Calculation Details

```
Upside = (Analyst Price Target / Stock Price) - 1
```

View Example Analyst Price Target Upside Stock Screen

Lookup Any Stock's **Analyst Price Target Upside**

#9. Return on Equity

Return on equity represents the percentage return a company generates on the money shareholders have invested.

Calculation Details

```
ROE = Adjusted Net Income / Average Total Equity
```

To adjust for the fact that income is realized over the course of a year, at finbox.io we average Total Equity at the start and end of the year for use in the denominator. As a rule of thumb, a higher return on equity suggests management is utilizing the capital invested by shareholders efficiently.

View Example Return on Equity Stock Screen

Lookup Any Stock's **Return on Equity**

#10. Dividend Yield

Dividend Yield measures how much a stock pays out in dividends each year as a percentage of its share price.

Calculation Details

```
Dividend Yield = Annualized Dividend Per Share / Stock Price
```

Since most stocks pay dividends on a quarterly basis, the latest dividend is annualized (multiplied by four) to estimate **Annualized Dividend Per Share**.

Dividend stocks usually make cash payments to stockholders on a quarterly basis. Investing in dividend stocks can be a way to earn passive income, improve returns in bear markets and hedge against inflation.

Pro Tip: In addition to using the Dividend Yield filter, dividend investors may also find the Dividend Champions, Dividend Contenders, and Dividend Challengers portfolio Ideas useful. These three portfolio Ideas are based on popular lists maintained by David Fish of Moneypaper and groups stocks by their track-record for paying a dividend.

View Example Dividend Yield Stock Screen

Lookup Any Stock's **Dividend Yield**

#11. Fair Value Uncertainty (finbox.io)

Fair Value Uncertainty (finbox.io) represents the uncertainty rating finbox.io has assigned to the finbox.io Fair Value estimate. We compute value estimates using multiple models and exclude conclusions that don't pass our validation checks. The more models we're able to use to triangulate onto a value, the better the uncertainty rating.

You can read more about Fair Value Uncertainty here.

View Example Fair Value Uncertainty (finbox.io) Stock Screen

Lookup Any Stock's **Fair Value Uncertainty (finbox.io)**

#12. Latest Stock Price

The Stock Price filter is a simple but powerful one. As an example, the filter can be used to screen for stocks trading between $2 and $5 per share. Stocks in the low single digits are more volatile and consequently many institutional managers are barred from buying shares in these companies. Some investors believe this makes them more susceptible to mispricing.

View Example Latest Stock Price Stock Screen

Lookup Any Stock's **Latest Stock Price**

#13. Altman Z-Score

Altman Z-Score is a score used to predict the probability that a firm will go into bankruptcy within two years.

The following schedule is typically used to interpret the score:

Altman Z-Score	Zone
Z > 2.99	"Safe"
1.81 < Z < 2.99	"Questionable"
Z < 1.81	"Distress"

View Example Altman Z-Score Stock Screen

Lookup Any Stock's **Altman Z-Score**

#14. P/E Ratio

The P/E Ratio is the most widely referenced valuation ratios and represents the multiple of earnings investors are currently willing to pay for one share of the company.

Calculation Details

```
P/E = Stock Price / Earnings Per Share (EPS)
```

View Example P/E Ratio LTM Stock Screen

Lookup Any Stock's **P/E Ratio LTM**

Lookup Any Stock's **P/E Ratio Fwd**

#15. Debt To Total Capital

Debt To Total Capital is a compelling alternative to Debt to Equity Ratio since it accounts for the current market value of a stock's equity.

Calculation Details

```
Total Capital = Market Cap + Total Debt
Debt to Total Capital = Total Debt / Total Capital
```

High levels of debt in a company's capital structure can improve returns for shareholders since less of equity capital is tied up in the company. That said, in business and economic downturns, operating at a high Debt / Total Capital also increases the chances of default or bankruptcy.

View Example Debt To Total Capital Stock Screen

Lookup Any Stock's **Debt To Total Capital**

#16. Current Ratio

Current ratio measures whether a firm is capitalized with enough assets to pay its debts over the next twelve months by comparing a firm's current assets to its current liabilities.

```
Current Ratio = Current Assets / Current Liabilities
```

Ratios between 1.5x and 3x are considered healthy.

View Example Current Ratio Stock Screen

Lookup Any Stock's **Current Ratio**

#17. Debt to Equity

Similar to Debt / Total Capital discussed above, debt to equity measures the amount of leverage utilized by management to operate the business. The higher the ratio, the more debt the company has in its capital structure.

Calculation Details

```
Debt to Equity ratio = Total Debt / Shareholder's Equity
```

View Example Debt to Equity Stock Screen

Lookup Any Stock's **Debt to Equity**

#18. Return on Assets (ROA)

Return on assets represents the dollars in earnings or Net Income a company generates per dollar of assets. ROA is typically used to gauge the efficiency of the company and its management at deploying capital to generate income for shareholders.

Calculation Details

```
ROA = Adjusted Net Income / Average Total Assets
```

A higher return on assets suggests management is utilizing the asset base efficiently.

View Example Return on Assets Stock Screen

Lookup Any Stock's **Return on Assets**

#19. Price to Book (P/B Ratio)

Price to Book ratio compares a stock's current market price to the value of equity listed on reported Balance Sheet.

Calculation Details

```
P/B Ratio = Stock Price / Book Value per Share
```

All else equal, the higher the P/B ratio, the higher the expectations investors have from management to create value from invested equity.

Stocks with low Price to Book ratios are popular with value investors. *Why is that the case?*

Value investors tend to put more emphasis on reducing downside risk. Assuming a company doesn't have considerable intangible assets, a value investor can sleep comfortably knowing that in the event of a bankruptcy, he hasn't purchased shares too far above their liquidation value.

View Example Price to Book (LTM) Stock Screen

Lookup Any Stock's **Price to Book (LTM)**

#20. Ben Graham Formula Upside

Ben Graham Formula Value is an intrinsic value formula proposed by investor and professor, Benjamin Graham. finbox.io uses the *Revised* formula which is as follows:

```
Fair Value = (EPS * 8.5 * 2g * 4.4) / Bond Yield

EPS    =   Earnings per share over the last 12 months
8.5x   =   Graham's proposed P/E ratio for a no-growth company
g*     =   Long-term growth rate.
4.4    =   Average Yield of high-grade corporate bonds in 1962
Bond Yield = Current 20 Year AAA Corporate Bond Yield

* finbox.io uses an average of Revenue, EBITDA, EBIT, and Net Income 5 Year CAGRs
```

Ben Graham Formula Upside metric calculates an upside using the current stock price in a manner similar to the **Fair Value Upside** and **Analyst Target Upside** discussed above.

View Example Ben Graham Formula Upside Stock Screen

Lookup Any Stock's **Ben Graham Formula Upside**

#21. Net Profit Margin

Net Profit Margin is the most popular measure of profitability. Analysts track margins closely as declining margins it can be an early indicator of competitive pricing pressure or cost mismanagement that may be disguised by growth.

Calculation Details

```
Net Profit = (Total Revenue - All Operating Expenses - Taxes)
Net Profit Margin = Net Profit / Total Revenue
```

View Example Net Profit Margin Stock Screen

Lookup Any Stock's **Net Profit Margin**

#22. Relative Strength Index (14 Day RSI)

The Relative Strength Index (RSI) is a technical indicator (momentum oscillator) commonly used determine if a stock is trading in overbought and oversold conditions measured on a scale from 0 to 100.

RSI values that are **greater than the 70** are interpreted as overbought, and values **below 30** are considered as oversold. RSI values between the 30 and 70 level are considered neutral.

The calculation RSI calculation is a bit complicated. You can view the methodology we use at finbox.io by reviewing the Excel and Google Spreadsheet Template below:

Download Relative Strength Index Spreadsheet Template

View Example Relative Strength Index Stock Screen

Lookup Any Stock's **Relative Strength Index**

#23. Days To Next Earnings Report

Stocks make the big moves right before and after they report earnings. Since earnings reports are important data points for traders and long-term investors we created this metric to provide an easy way to screen for companies reporting soon.

View Example Days To Next Earnings Report Stock Screen

Lookup Any Stock's **Days To Next Earnings Report**

#24. Free Cash Flow Yield

Free Cash Flow Yield measures the amount of free cash flow for each dollar of equity (market capitalization).

```
Levered Free Cash Flow = Cash From Operations + Cash From Investing
FCF Yield = Levered Free Cash Flow / Market Cap
```

Since Cash From Investing reported by the company may include acquisitions and divestitures, the "between" filter operator can be used to exclude high values.

View Example Free Cash Flow Yield Stock Screen

Lookup Any Stock's **Free Cash Flow Yield**

#25. Price-Earnings to Growth (PEG Ratio)

The PEG Ratio is a valuation metric popularized by Peter Lynch which serves as a rough heuristic for the earnings growth reflected in the market price. Stocks with PEG Ratio under 1 are labeled undervalued while those with a PEG greater than 1 are labeled overvalued.

View Example PEG Ratio Stock Screen

Lookup Any Stock's **PEG Ratio**

The finbox.io Stock Screener offers hundreds of metrics to quickly find stocks that fit your investment strategy. If you can't find the filter you're looking for, just send us a note at support@finbox.io, and we'll do our best to add it. We can't wait to see what our community will come up with next!

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