Surperformance Ratings

User guide
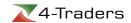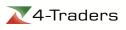
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Surperformance Ratings

1 – General explanation

Surperformance® Market Screener reprocesses financial data and analyzes technical patterns for all listed companies in the world followed by 2 analysts at least and ranks them depending on 14 fundamental ratings and 13 technical ratings.

Fundamental ratings are: Growth (Revenue), Valuation, EPS revisions (short and long term), Revenue revisions (short and long term), Finances, Profitability, Earnings quality, Business Predictability, PER, Potential, Consensus, Yield and 2 summary ratings, Investor and Trading ratings.
Technical ratings are: Short Term Timing, Medium Term Timing, Long Term Timing, RSI, Bollinger Spread, Unusual Volumes, Volatility, Variation (5-day and YTD) and STIM.

Each fundamental rating takes into account past earnings reports, estimates from the Thomson Reuters consensus and their trends. Ratings for each criterion are calculated independently and objectively when sufficient data are available. Companies in the banking, insurance and real estate industries may be penalized because of their unusual balance sheet. Data are update daily and because of this, ratings may fluactuate from one day to another depending on new press releases, estimates or revisions.

Each technical rating takes into account commonly used mathematics: RSI, Volumes, Bollinger Spread and technical mathematics which belong to Surperformance as STIM, trend, supports and resistances in the short, medium and long term. Ratings for each criterion are calculated independently and objectively.

The rating for each criterion is out of 100. It corresponds to a ranking of the stock in comparison with all other listed companies in the world.

2 - Description of fundamental criterion

This part gives details about the 14 rating criterion:

Investor Rating
Investor rating is based on a weighted average of the following criteria: Growth, Valuation, EPS Revisions (long-term), Finance, Profitability, Earnings quality and Business Predictability. Companies undervalued, whose business is growing, which have a good financial situation, a strong profitability, a good business predictability and have not disappointed analysts in the past will have the best ratings. The goal is to rank companies according to several criteria for a medium and long term investment.

Trading Rating
Trading rating is based on a weighted average of the following criteria: Valuation, EPS revisions (short term) and Business Predictability. Undervalued companies with good business predictability, which EPS estimates have been revised upwards in recent weeks, will have the best ratings. The goal is to rank companies according to several criteria for short-term investment.

Growth (Revenue)
Growth rating is based on the evolution of the turnover of the company between the last year and the three coming years according to consensus estimates. The higher the growth is (from a relative viewpoint), the better the rating is. The goal is to rank companies according to estimated sales and to identify companies with the highest growth.

Valuation
Valuation rating is based on the ratio between enterprise value and its turnover for the current fiscal year and the next one. The lower the valuation is, the better the rating is. The goal is to rank companies according to valuation and to identify companies with the lowest valuation.

EPS revisions (one week)
EPS revisions (one week) rating is based on the evolution of EPS (earnings per share) revisions of the company for the current fiscal year and the next one. During the last week, more EPS estimates are revised upward (from a relative point of view), the more rating is high. The goal is to rank companies according to analyst estimates and to identify companies with the best EPS estimates.

EPS revisions (four months)
EPS revisions (four months) rating is based on the evolution of EPS (earnings per share) revisions of the company for the current fiscal year and the next one. During the last four months, more EPS estimates are revised upward (from a relative point of view), the more rating is high. The goal is to rank companies according to analyst estimates and to identify companies with the best EPS estimates. The difference is that the period of observation is based on fourth month instead of one week.

EPS revisions (one year)
EPS revisions (one year) rating is based on the evolution of EPS (earnings per share) revisions of the company for the current fiscal year and the next one. The more EPS estimates are revised upward (from a relative point of view), the more rating is high. The goal is to rank companies according to analyst estimates and to identify companies with the best EPS estimates. The difference is that the period is three times as long as EPS revisions (four months).

Revenue revisions (four months)
Revenue revisions (four months) rating is based on the evolution of revenue revisions of the company for the current fiscal year and the next one. The more revenue estimates are revised upward (from a relative point of view), the more rating is high. The goal is to rank companies according to analyst estimates and to identify companies with the best revenue estimates.

Revenue revisions (one year)
Revenue revisions (one year) rating is based on the evolution of revenue revisions of the company for the current fiscal year and the next one. The more revenue estimates are revised upward (from a relative point of view), the more rating is high. The goal is to rank companies according to analyst estimates and to identify companies with the best revenue estimates. The difference is that the period is three times as long as Revenue revisions (four months).

Finances
Finances rating is based on the evolution of the net debt of the company (debt or cash) and its Ebitda, compared to its revenue. The higher the cash is, the better the rating is. The goal is to rank companies according to financial situation and to identify companies with the highest growth. The goal is to rank companies according to the quality of their financial situation.

Profitability
Profitability rating is based on net margin of the company for the current year and the next one according to consensus estimates. The higher the ratio is, the better the rating is. The goal is to rank companies according to the "Net income/revenue" ratio to identify those which have a high payoff.

PER

Price Earnings Ratio rating compared the company's current share price to its per-share earnings for the current fiscal year and the next one. The lower the PER is, the better the rating is. The goal is to rank companies according to their earnings multiples and identify those which are cheap.

Earnings quality

Earnings quality rating is based on quality of past earnings released by the company compared to analysts' estimates. The better earnings release is, the higher the rating is. The companies closest to the consensus will have an average score. The goal is to identify companies that publish regularly above consensus.

Business Predictability

Business Predictability rating is based on the dispersion of analysts' estimates on the evolution of the company business in the coming years (range estimates). The more estimates are concentrated, the more the rating is high. The goal is to rank companies according to the predictability of their business and identify companies whose business is highly predictable.

Potential

Potential rating is based on the average target price fixed by the consensus from Thomson Reuters. The higher the target price is, the better the rating is. The goal is to identify companies that have, according to analysts, the strongest upside potential.

Consensus

Consensus rating is based on analyst recommendations. It provides an indication of the position taken by most analysts polled by Thomson Reuters. The goal is to identify companies that benefit from the maximum of buy (or sell) recommendations.

Yield

"Yield" rating is based on the dividend relative to its share price. The higher the dividend yield is, the better the rating is. The goal is to identify companies that can supply a significant dividend return to their shareholders.

3 - Description of technical criterion

This part gives details about the 13 rating criterion:

Short term Trend
Short term Trend indicates the short-term direction of the stock. It can be "Bearish", "Neutral" or "Bullish". The main objective is to identify the recent orientation of the stock.

Mid-Term Trend
Mid-term Trend indicates the mid-term direction of the stock. It can be "Bearish", "Neutral" or "Bullish". The main objective is to identify the orientation of the stock during in recent weeks.

Long Term Trend
Long term Trend indicates the long term direction of the stock. It can be "Bearish", "Neutral" or "Bullish". The main objective is to identify the orientation of the stock during in recent months.

Short term Timing
Short Term Timing rating is defined according to the positioning of the last closed trading price, within the area between the short term support and resistance on the basis of technical analysis in daily data. A high score indicates the stock will be close to its short term support and away from short term resistance. Conversely, a low score indicates the stock will be close to its short term resistance and away from its short term support.

Mid-Term Timing
Mid-Term Timing rating is defined according to the positioning of the last closed trading price, within the area between the mid-term support and resistance on the basis of technical analysis in daily data. A high score indicates the stock will be close to its mid-term support and away from mid-term resistance. Conversely, a low score indicates the stock will be close to its mid-term resistance and away from its mid-term support.

Long Term Timing
Long Term Timing rating is defined according to the positioning of the last closed trading price, within the area between the long term support and resistance on the basis of technical analysis in daily data. A high score indicates the stock will be close to its long term support and away from long term resistance. Conversely, a low score indicates the stock will be close to its long term resistance and away from its long term support.

Bollinger Bands
Bollinger Bands rating is based on the ranking of the security in the panel studied according to the spread of the Bollinger bands. The higher the rating is, the closer Bollinger bands are. Thus, prices are in an indecision area that could cause an upwards or downwards acceleration. Conversely, the lower the rating is, the wider Bollinger Bands are and recent volatility is significant.

RSI
RSI rating is based on the ranking of the security in the panel studied according to the mathematical indicator RSI 14 period. The more the rating is high, the more the stock is in oversold position. Conversely, if the rating is low, it indicates a relative overbought situation.

5-day Variation
5-day Variation rating is based on the fluctuation of the share price over the last 5 sessions. The more the share price has made large upward movements, the more the rating is high (the rating will be low for a company whose share price has dropped). The goal is to identify companies whose share price has increased the most.

YTD Variation

YTD Variation rating is based on the fluctuation of the share price since the beginning of the year. The more the share price has made wide upward movements, the more the rating is high (the rating will be lower for a company whose share price has dropped). The goal is to identify companies whose share price has increased the most.

STIM

STIM rating is based on the ranking of the security in the panel studied according to the mathematical indicator "STIM", created by Franck Morel. This indicator measures the pressure to buy or sell of the last sesssion in terms of volume and volatility. The interpretation of the result takes into account a pivot threshold at 50 to which the STIM has a value of zero. The more the score is close to 100, the more the buying pressure was high. Conversely, the more the score is close to 0, the more the selling pressure has been consistent.

Volatility

Volatility rating is based on the stock's propensity to vary. The more the share price has done large amplitude movements in recent days, the more the rating is high (the rating will be low for a company whose share price has not changed much). The goal is to identify the most volatile companies.

Abnormal volumes

Abnormal Volumes rating is based on the ranking of the security in the panel studied according to volume of the last session compared to an average session. The more the rating is high, the more volumes were unusually high. Conversely, the more the rating is low, the more volume were unusually low.