

Twitter Thread by flooded

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Due Diligence Thread ■■■

In this thread I will be revealing to you guys my step by step process on how I do my due diligence on any ticker along with the process of how I find good setups and what resources and websites do I use to do it.

Step 1: Finding Good Chart Setups (continued)

Attached below is my personal finviz screener settings which I use to look at charts and how I change some of the settings to my own preferences.

Site Reference: <https://t.co/liI2ktnHhz>

PS: Sometimes I don't even select any pattern

The screenshot shows the Finviz screener filters interface. The 'Pattern' filter is highlighted with a red box, and its dropdown menu is open, showing various technical patterns. A red box highlights the 'Any' option, which is selected. Red lines connect the 'Any' option to a text box on the right that explains the reasoning for this choice.

Filters: 2	Descriptive(2)	Fundamental	Technical	All(2)
Exchange	Any	Index	Any	Sector
Market Cap.	-Small (under \$2t)	P/E	Any	Forward P/E
P/B	Any	Price/Cash	Any	Price/Free Cash Flow
EPS growth past 5 years	Any	EPS growth next 5 years	Any	Sales growth past 5 years
Dividend Yield	Any	Return on Assets	Any	Return on Equity
Quick Ratio	Any	LT Debt/Equity	Any	Debt/Equity
Net Profit Margin	Any	Payout Ratio	Any	Insider Ownership
Institutional Transactions	Any	Float Short	Any	Analyst Recom.
Performance	Any	Performance 2	Any	Volatility
20-Day Simple Moving Average	Any	50-Day Simple Moving Average	Any	200-Day Simple Moving Average
20-Day High/Low	Any	50-Day High/Low	Any	52-Week High/Low
Beta	Any	Average True Range	Any	Average Volume
Price	Under \$7	Target Price	Any	IPO Date
After-Hours Close	Any	After-Hours Change	Any	

Pattern dropdown menu options:

- Any (Selected)
- Horizontal S/R
- Horizontal S/R (Strong)
- TL Resistance
- TL Resistance (Strong)
- TL Support
- TL Support (Strong)
- Wedge Up
- Wedge Up (Strong)
- Wedge Down
- Wedge Down (Strong)
- Triangle Ascending
- Triangle Ascending (Strong)
- Triangle Descending
- Triangle Descending (Strong)
- Wedge
- Wedge (Strong)
- Channel Up
- Channel Up (Strong)
- Channel Down
- Channel Down (Strong)

Annotation: I use the strong patterns in order to filter out the best charts that are out there. This definitely increases the amount of good charts but decreases the overall number of charts, hence its my personal preference to do this to save some time.

My favorite bullish chart setups that I personally look out for initiating swing positions:

- 1-) Falling Wedge Pattern
- 2-) Ascending Triangle Pattern
- 3-) Fish Hook / Oversold Bounce Pattern
- 4-) Channel Up Pattern
- 5-) Descending Triangle Breakout Pattern (Towards Upside)

Step 2: Checking for Offerings

Once I have found a good chart, with a high risk reward ratio, the immediate first thing that I do is to look out for any signs of upcoming offering. Since I don't want to get caught in offerings , these are the two things that I lookout for.

Step 2: Checking for Offerings (continued)

1-) Firstly, I look for whether the company had made any recent offerings in the last two months, if yes then there are less chances of new offerings.

Step 2: Checking for Offerings (continued)

2-) I look for S-3 filings at <https://t.co/7BwDkXhZ8w>, if any S-3's are currently open or by looking at the details and seeing whether they have completed the number of offerings in dollar value after the S-3 Filings.

All ▾

2011-06-29
To Date (yyyy-mm-dd)
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Search text in documents

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Form type
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 Reporting date
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 File number
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 Size

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Form type	Form description	Filing date	Reporting date
	9.01 - Financial Statements and Exhibits		
424B5	Prospectus [Rule 424(b)(5)] Filing	2021-01-15	
4	Statement of changes in beneficial ownership of securities Filing	2021-01-11	2021-01-07
UPLOAD	SEC-generated letter Filing	2020-12-16	
EFFECT	Notice of Effectiveness Filing	2020-12-15	
CORRESP	Correspondence Filing	2020-12-11	
8-K	Current report Filing	2020-12-07	2020-12-04
	8.01 - Other Events (The registrant can use this ...		
	9.01 - Financial Statements and Exhibits		
S-3	Registration statement under Securities Act of 1933 Filing	2020-12-07	
8-K	Current report Filing	2020-11-10	2020-11-10
	2.02 - Results of Operations and Financial Cond...		
	9.01 - Financial Statements and Exhibits		
10-Q	Quarterly report [Sections 13 or 15(d)] Filing	2020-11-10	2020-09-30
SC 13G	Statement of acquisition of beneficial ownership by individuals Filing	2020-10-02	
8-K	Current report Filing	2020-09-29	2020-09-29
	8.01 - Other Events (The registrant can use this ...		
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All ▾

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Form type Form description Filing date Reporting date Act Film number File number Accession number Size

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Step 3: Finding Catalysts

Once I clear the offerings off the list, the next thing that I need to look out for is catalyst and upcoming milestones for a company. To do this step, I read and skim through the company's PR available at <https://t.co/rYpsISOE1R>.

Here are some of the major catalysts examples:

- 1-) (Phase 2 , Phase 3) drug results - (FDA and PDUFA) dates.
- 2-) Contract with companies like Amazon , Microsoft , Walmart.
- 3-) Contracts above (1 - 100M\$)

- 4-) Merger and Acquisitions
- 5-) Covid-19 Vaccine Related Data
- 6-) Insider

I have attached below some examples which caused huge runs on some of the tickers below, the key is to anticipate them before they release the news and that can only be done if you look out for catalysts in the company PR's

Feb-16-21 01:00PM Socket Mobile Announces 2020 Fourth Quarter and Annual Results Release Date and Conference Call PR Newswire +538.27%
 10:44AM SocketMobile's stock rockets to a more than 13-year high after unveiling of DuraSled scanner for iPhone 12s MarketWatch
 06:00AM Socket Mobile launches first enterprise-grade scanners for Apple iPhone 12 series PR Newswire
 05:57AM Socket Mobile Surges on Release of iPhone 12 Barcode Scanner TheStreet.com

Jun-24-21 10:00AM Digital Brands Group Announces Channel Expansion into Amazon Marketplace PR Newswire +31.05%

Mar-03-21 01:00PM KemPharm (KMPH) Soars on FDA Nod for ADHD Treatment, Azstarys Zacks +42.84%
 07:56AM KemPharm Pops 93% Pre-Market On FDA Approval Of ADHD Therapy SmarterAnalyst

Step 4: Checking Company Fundamentals

Once I have found catalysts that I think can effect company's price then the only thing left to do is check out the company's fundamentals outlook.

Continued ■■

I check a company's fundamental to just be sure that a company is not a fraudulent company and it's not going to announce offerings due to lack of funds.

To do so , I use the website, <https://t.co/6pozckB3cQ>, and go into statistics tab to check for their balance sheet outlook .

I would like to see that the company's total cash is much greater than the company's total debt which tells me that the company would be able to pay of its immediate debts.

Balance Sheet

Total Cash (mrq)	252.27M
Total Cash Per Share (mrq)	19.68
Total Debt (mrq)	17.5M
Total Debt/Equity (mrq)	6.32
Current Ratio (mrq)	5.74
Book Value Per Share (mrq)	8.29

Cash Flow Statement

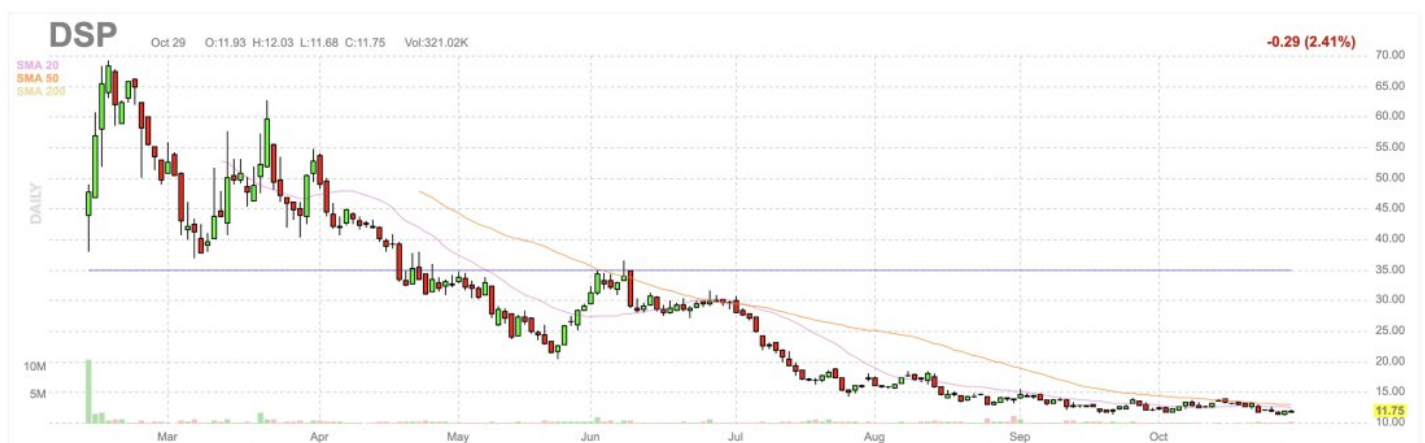
Operating Cash Flow (ttm)	30.9M
Levered Free Cash Flow (ttm)	N/A

Another thing that I look out for is the operating cash flow, I have seen that usually tickers having positive cash flow do relatively well for me while I open up a swing trade. If the Total Debt is near the Total Cash or greater than it ,I avoid taking positions in that ticker.

Step 5: Charting Done Right

This is the final stage before entering the swing, I never rely on charts from finviz always do my personal charting on each and every ticker.

Ex. I have Attached below a comparison of my charting and finviz charting on the following ticker name \$DSP



I do this is because I set alerts on key support and resistance areas and the only time I buy a stock is when it hits the support area , because that's where I have the best risk reward ratio.Knowing that DSP is a good long term stock , 11.50\$ is a great area.

Hope y'all enjoyed this thread. Let me know what other threads you want.

\$BKKT \$EQOS \$GREE \$GFAI \$NXTD