

Twitter Thread by flooded

**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/lil2ktnHhz>

PS: Sometimes I don't even select any pattern

The screenshot shows the Finviz screener interface with various filters set. Key settings highlighted include:

- Market Cap:** -Small (under \$2t)
- Price:** Under \$7
- Pattern:** Any (selected from a dropdown menu)

Annotations on the right side of the image explain the reasoning for these choices:

- A red line points to the 'Pattern' dropdown, stating: "I use the strong patterns in order to filter out the best charts that are out there".
- Another red line points to the 'Any' selection, stating: "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".

At the bottom right, there is a 'Reset (2)' button and a 'Page 1/66' indicator.

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.

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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
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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-15-21	09:30AM	Digital Brands Group Announces 1Q21 Results Exceeded Expectations	PR Newswire	+3.50%
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

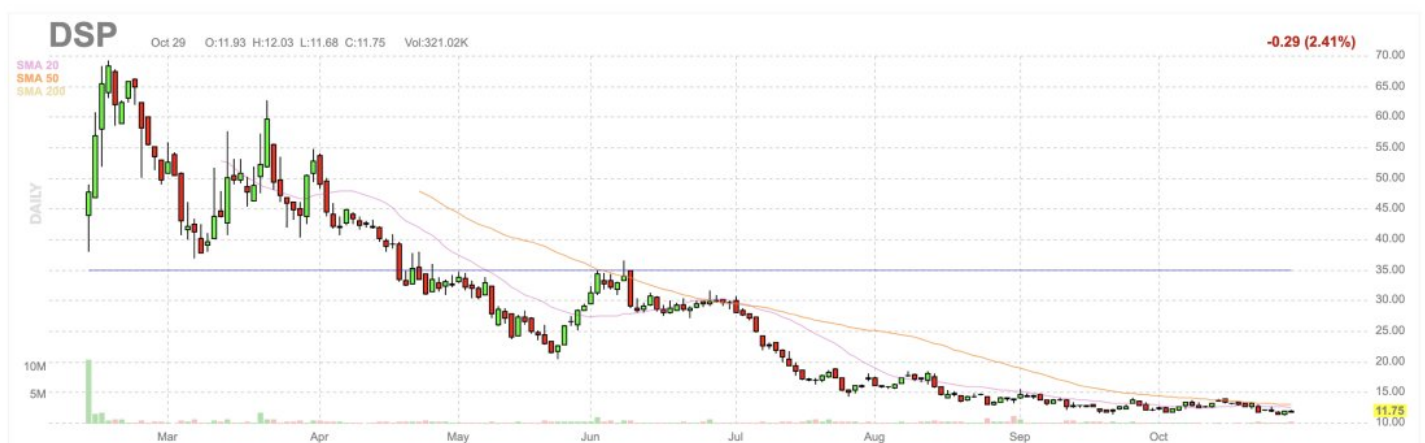
Operating Cash Flow (ttm)	30.9M
Levered Free Cash Flow (ttm)	N/A

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