

The Beginners Guide to Using Yahoo Numbers

As A Stock Screener

Screening for stocks is one of the easiest ways to narrow down our choices of which companies to analyze. Here is a shortlist of checklists you can use from Yahoo numbers to help you narrow down your list:

1 Price

The top of the page on Yahoo Finance gives us a host of great information focusing on the price. According to the market, the price gives us the one “true” variable in finance, what it is worth. We can also see the markets view on the company:

- Current stock price
- After hours price
- Previous closing price
- Price at open
- Bid/Ask price
- 1y Target Estimate

2 Beta

This next number has to do with an advanced financial topic called volatility. Volatility measures how much movement a stock has gone through in its recent history. [When talking about recent history with stocks, it usually means one month, three months, six months, one year, two years, five years, or ten years].

A stock with much more buys than sells, or sells than buys, will have higher volatility than a stock that has stayed relatively unmoved. Beta comes into the equation when you want to compare a stock's volatility to the market average.

A stock with a beta of 1 is moving at the same volatility as the market. A stock with a beta greater than one is moving with greater volatility than the average, and a stock with a beta less than 1 has less volatility than the average.

3 Next Earnings Date



The next row of Yahoo Finance is the next earnings release date. Earnings releases are important for two reasons.

Number one, this is when the market evaluates the performance of a company. Analysts compare results to estimates, and the stock price will move based on this data.

Secondly, new estimates are released on this day as well. When estimates guide lower, a more bearish sentiment surrounds the stock on the street. Of course, estimates guiding higher show a general abundance of earnings and can mean well for the stock moving forward.



4 Price Range



The price range data will tell us how volatile a company's stock price has been and what kind of range the company has traded over a few days and a year.

5 Volume



The difference between volume and volatility is that stock might have heavy volume but low volatility, or vice versa. The volume can happen when a stock is heavily traded but isn't moving much on the chart.

By itself, the volume number doesn't tell us much. However, if you are following the stock for a while, it can help identify an entry point if you care about volume.

That is where the average volume (3 months) comes in, this number tells us just how active the stock has been recently, and we can use the day's volume as a comparison to evaluate current activity levels.



6 Market Cap

Next is Market Cap, which is short for market capitalization. Market capitalization is the total size of a company in the stock market. It represents how many people own shares in the stock market and moves up as the share price increases.

Market capitalization is an easy calculation. It is the number of shares outstanding multiplied by the share price of a stock. For example, if 100 total shares of a company are available on Wall Street and it trades at \$5 a share, the market cap would be \$500.

7 Ratios

Ratios such as the P/E, P/B, and P/S, are great places to narrow down your choices of companies. These ratios are great shorthand for valuing companies and give you a starting point to find quality companies.

8 Dividend & Yield

Lastly, we have dividends and the yield percentage, which tells us how much we will receive per share. The yield tells us what percentage of a company's share price the dividend comes out to be.

When it comes to investing in dividends, it's important to remember that the yield isn't what's all that important and profitable in a dividend investment strategy. The growth of that dividend over many years makes an initial investment very profitable as the years go on.