

# Five Stocks with Strong Technical and Fundamental Measures – Double-Screening Using SimpleVisor

We received positive feedback on our double screening in last week's [Five Financials for a Steeper Yield Curve](#). As such, we think it is helpful to repeat the double screen but do so using pre-existing screens in SimpleVisor and adding more factors to refine our search.

This article is part tutorial and part analysis.

Within SimpleVisor, under Ideas > Trading Ideas you will find seven pre-existing stock screens. We chose to run Strong Technical Trend with Strong Fundamentals as our starting point.

Upon running the screen, the screener yields 50 stocks that meet the screen's criteria. From here, we shorten the list to five stocks by adding three more fundamental screens.

Above the listing of stocks, you will see >Filters. Clicking on the Filters button opens the SimpleVisor screener and exposes the current screening criteria. In this case, they are all under Technical. While Mohanram and Piotroski are under Technical, you can mouse over the orange question mark to see they are both fundamental measures of financial strength, leverage, and operating efficiency.

## Screening Criteria

For the second screen, we clicked on the Fundamentals tab and selected Price to Sales (<1), Price to Book (0-4-custom), and Forward P/E (< 15). We then hit the blue Filter button to get the results below. You can click on Overview, Technicals, Fundamentals, or Performance for different views of the screen's results.

Symbol	Market Cap	Yield%	ExDiv-Date	Div-PayDate	Earning Date	Enterprise Value	Trailing P/E	Forward P/E	PEG Ratio	P/S T1	P/B T1	Trailing EPS	Forward EPS	Return on Assets	Return on Equity	Current Ratio	Quick Ratio	Debt/Equity	Gross Margins	Operating Margins	Profit Margins	EBITDA Margins	Payout Ratio
ARC	\$105.48M	5.28%	2021-10-28	2021-10-30	2021-09-03	\$227,853,840	16.33	12.81	1.26	0.61	1.09	\$0.21	\$0.30	2.83%	5.64%	1.49	1.26	71.37	32.20%	5.56%	3.96%	14.32%	33.33%
PBR	\$98.32B	11.79%	2021-08-17	2021-09-01	2021-01-03	\$364,557,074,432	4.40	5.51	-0.25	0.22	0.25	\$3.43	\$2.73	11.96%	30.62%	1.25	0.78	84.35	48.52%	40.42%	23.56%	48.32%	67.95%
SPH	\$3.58B	%			2021-01-03	\$4,814,983,680	15.45	14.04	2.08	0.59	3.76	\$2.30	\$2.31	7.39%	26.52%	1.11	0.54	93.68	36.39%	5.56%	4.00%	7.61%	0.00%
SPH	\$1.03B	8.71%	2021-01-01	2021-01-09	2021-01-01	\$2,238,981,632	8.90	7.26	2.17	0.69	2.39	\$1.67	\$2.05	5.74%	26.38%	0.80	0.45	304.77	26.59%	14.21%	7.81%	21.04%	74.85%
VHE	\$150.31M	1.06%	2021-09-01	2021-09-23	2021-08-05	\$125,237,320	6.52	5.09	0.21	0.36	1.00	\$4.46	\$5.72	5.69%	16.26%	3.61	2.38	58.05	25.33%	11.68%	5.54%	14.39%	7.71%

## Company Summaries (all descriptions courtesy of Zacks)

### Arc Document Solutions (ARC)

ARC Document Solutions Inc. is a document solutions company providing business-to-business document management technology and services to the architectural, engineering and construction, or AEC industries. It also provides document management services to companies in non-AEC industries, such as technology, financial services, retail, entertainment, and food and hospitality. The Company provides services that include scanning, imaging, and managing black and white and color documents.

ARC is by far the smallest company in the screen results with a market cap of \$165.5M. The market is expecting substantial earnings growth in the near term as ARC's forward P/E (12.8) is well below its trailing P/E (18.3). With a PEG ratio of 1.26 and a SimpleVisor technical rating of ?Strong Buy?, ARC demonstrates exactly what we are looking for in this screen.



## PETROLEO BRASILEIRO S.A.- PETROBRAS (PBR)

Petroleo Brasileiro S.A., or Petrobras S.A., is the largest integrated energy firm in Brazil and one of the largest in Latin America. The company's activities include: exploration, exploitation and production of oil from reservoir wells, shale and other rocks, as well as refining, processing, trading and transportation of oil and oil products, natural gas and other fluid hydrocarbons, in addition to other energy-related activities.

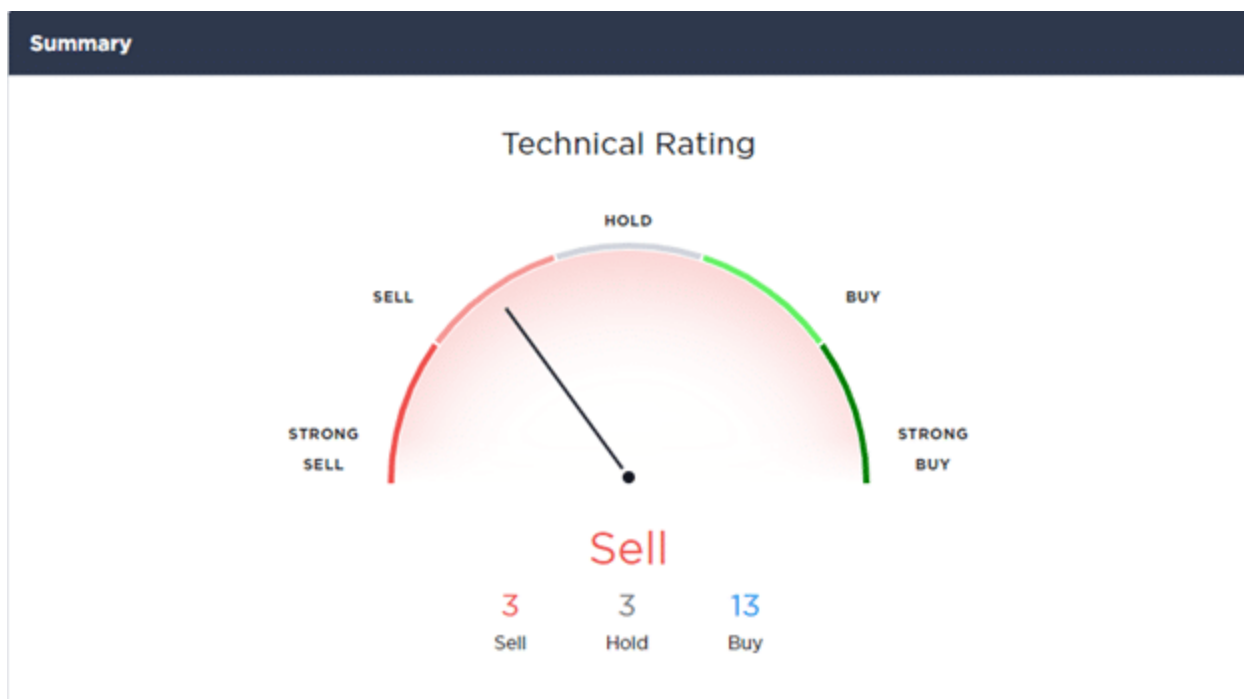
PBR trades at the lowest valuations of the five stocks. It is priced for very slow growth in both earnings and sales but carries a massive dividend yield (13.8%). This year's earnings are expected to fall below that of the trailing twelve-month period; however, the stock is performing very well year-to-date due to geopolitical factors. It carries a SimpleVisor technical rating of ?Strong Buy? with twelve of nineteen indicators signaling buy.



## Sprouts Farmers Market (SFM)

Sprouts Farmers Markets, LLC engages in the retailing of natural and organic food primarily in the United States. The Company offers fresh produce, meats, cheeses, dairy, bakery, beer and wine, bulk foods, vitamins, and supplements. Sprouts Farmers Markets, LLC is based in Phoenix, Arizona.

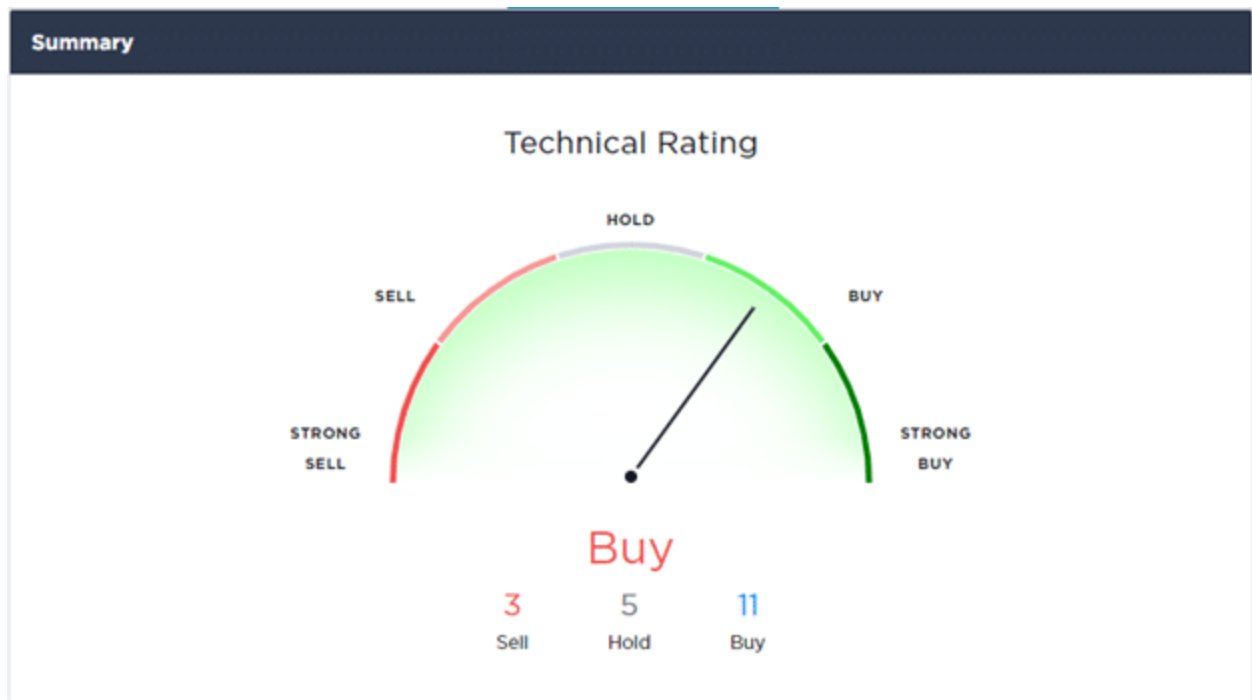
Although SFM trades in value territory, it is one of the most expensive stocks on the list. Further, with a PEG ratio of 2.08, investors are paying a premium for expected growth. As a consumer staples stock, SFM has handily outperformed the market YTD. While the stock has an overall technical rating of ?Sell?, thirteen of nineteen technical indicators rate the stock as a buy.



## Suburban Propane Partners (SPH)

Suburban Propane Partners, L.P., a publicly traded Delaware limited partnership is engaged, through subsidiaries, in the retail and wholesale marketing of propane and related appliances and services. The Partnership believes it is the third largest retail marketer of propane in the United States. Suburban Propane Partners serves active residential, commercial, industrial and agricultural customers from customer service centers in over 40 states. The Partnership's operations are concentrated in the east and west coast regions of the United States.

SPH is another stock on the list with a sizable dividend yield (8.7%). Unfortunately, what you gain in dividend yield, you lose in growth expectations. The stock trades at a PEG ratio of 2.17, the highest on the list. The volatile stock has performed well YTD and currently has a SimpleVisor technical rating of ?Buy?.



## Valhi Inc. (VHI)

Valhi Inc. operates through majority-owned subsidiaries or less than majority-owned affiliates in the chemicals, component products, waste management and titanium metals industries. These subsidiaries and affiliates are NL Industries, Inc., CompX International Inc., Waste Control Specialists LLC, and Titanium Metal Corporation.

VHI is another deep value option and boasts the lowest PEG ratio above one on the list (0.21). It trades at a very low forward P/E of 5.09 with forward earnings growth expectations of 28.2%. It is one of the few stocks on the list with lackluster performance YTD, but carries a SimpleVisor technical rating of ?Strong Buy?.



## Five for Friday

Five for Friday uses stock screens to produce five stocks that we expect will outperform if a particular investment theme plays out in the future. Investment themes may be relevant to the current or expected market, industry and/or economic trends. Investment themes may not always represent our current forecast.

## Disclosure

This report is not a recommendation to buy or sell the named securities. We intend to elicit ideas about stocks meeting specific criteria and investment themes. Please read our [disclosures](#) carefully and do your own research before investing.