

Tips, Tricks, & Techniques

Value Line Screening for Quality for Free

Today Value Line Online is available in most libraries. Those with a hardcopy subscription are also entitled to a free online subscription.

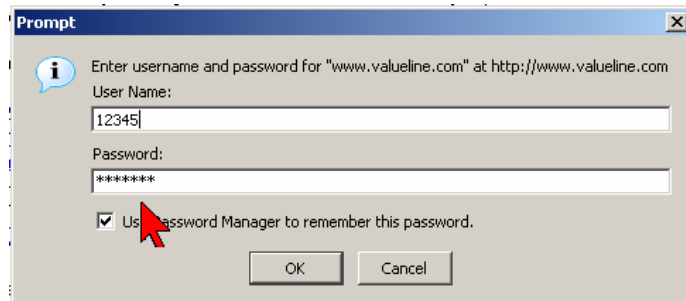
To avail yourself of this service at your library usually requires that you ask the Reference Librarian to log you onto Value Line. Then follow the below steps to screen for stocks. This treatment focuses on the selection of quality stocks in the Value Line Investment Survey online - Standard Edition. Many libraries also carry the Small and Mid-Cap Edition. The methodology described here will also work with other than the Standard Edition.




Unless you have your own subscription, the librarian will use this screen to Log On to the Value Line online service.

You or the librarian will then be prompted to enter the User Name and Password.

{Several frequent users of Value Line online have reported that the Reference Librarian has shared their password with them. It may happen - do not ask.}



 **The Value Line Investment Survey** - Weekly of 08/31/05, next update will be available on 10/01/05. Weekly files are updated every Friday by 12:00 PM. **are available every Thursday by 10:00 AM in the section only.**

- ◆ [The Value Line Investment Survey online—Standard Edition](#)
- ◆ [The Value Line Investment Survey online—Plus Edition](#)
- ◆ [The Value Line Investment Survey online—Small and Mid-Cap Edition](#)
- ◆ [The Value Line Investment Analyzer 3.0® \(Software\)](#)

View & Order Information

You or the Reference Librarian now select the appropriate Edition or the Survey.

Value Line Screening for Quality

Now if you are at the library, you are probably on your own. Few, if any, librarians have any using knowledge of Value Line.

Select **Stock Screening** shown circled in clip.

You will then be presented with Value Line's Stock Screener.



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RESEARCH CENTER

The Value Line Investment Survey - Standard Edition - Stock Screener

Create a Saved Screen
After selecting your screening criteria, click **Save Screen As** and name your screen file.
Save Screen As

Open a Saved Screen
Click **Browse...** to locate and select the saved screen, then click **Open**. Your screening criteria will be loaded.
Open Saved Screen: [] Browse... Open

Company Information

Company Name [] Search Reset All

Ticker Symbol(s) [] For multiple tickers, separate them by spaces.

International
ALL US Only Foreign Only Canada United Kingdom

Industry
ALL Advertising Aerospace/Defense Air Transport Apparel (To select multiple industries, hold down the CTRL key)

Value Line Ranks

Timeliness Rank 1 2 3 4 5 (Stocks in Standard Edition only)

Safety Rank 1 2 3 4 5

Technical Rank 1 2 3 4 5

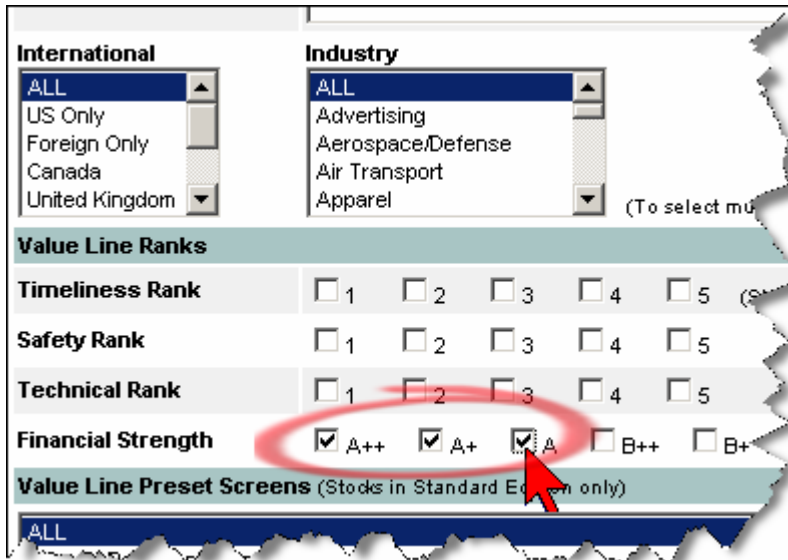
Financial Strength A++ A+ A B++ B+ B C++ C+ C

Value Line Preset Screens (Stocks in Standard Edition only)

ALL Bargain Basement Stocks Best Performing Stocks Biggest 'Free Flow' Cash Generator High Returns Earned on Total Capital

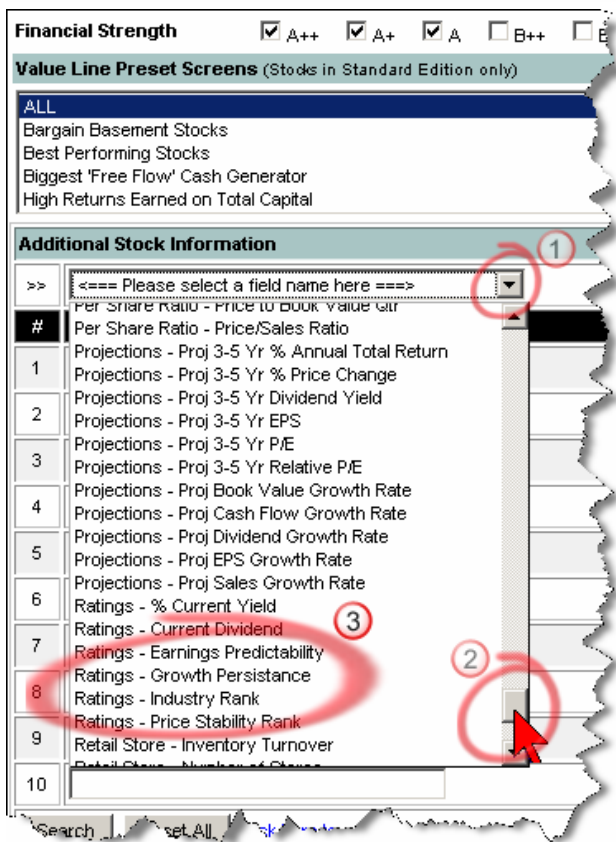
Additional Stock Information

Value Line Screening for Quality



Our next task is to add our criteria to the Stock Screener.

We want to only see stocks with Financial Strengths of A++, A+, and A so we click in the appropriate blocks.



We will now add select Ratings items. Under Additional Stock Information:

1. Click on the select button to the right of <===Please select a field name here===>.
2. Move the scroll bar down the list to the Ratings items.
3. Select in turn:
 - a. Earnings Predictability
 - b. Growth Persistence
 - c. Price Stability Rank

For each item use 75 for the Minimum Value and 100 for the Maximum Value.

Additional Stock Information			
#	Click here to select a field	Minimum Value	Maximum Value
1	Earnings Predictability	75	100
2	Growth Persistence	75	100
3	Price Stability Rank	75	100
4			

Value Line Screening for Quality



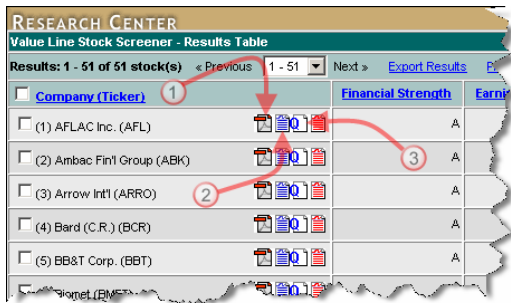
Click Search to display the Results Table:

1. 51 companies passed your selection criteria.
2. Additional items available for each company
3. Export Results

RESEARCH CENTER
Value Line Stock Screener - Results Table

Results: 1 - 51 of 51 stock(s) < Previous 1 - 51 Next > [Export Results](#) [Print-Friendly](#) [Open Options Screener with selected stocks](#)

Company (Ticker)	Financial Strength	Earnings Predictability	Growth Persistence	Price Stability Rank
(1) AFLAC Inc. (AFL)	A	100.00	90.00	80.00
(2) Ambac Fin'l Group (ABK)	A	100.00	90.00	75.00
(3) Arrow Int'l (ARRO)	A	95.00	75.00	90.00
(4) Bard (C.R.) (BCR)	A	100.00	90.00	90.00
(5) BB&T Corp. (BBT)	A	75.00	75.00	95.00
(6) Biomet (BMET)	A	100.00	100.00	75.00

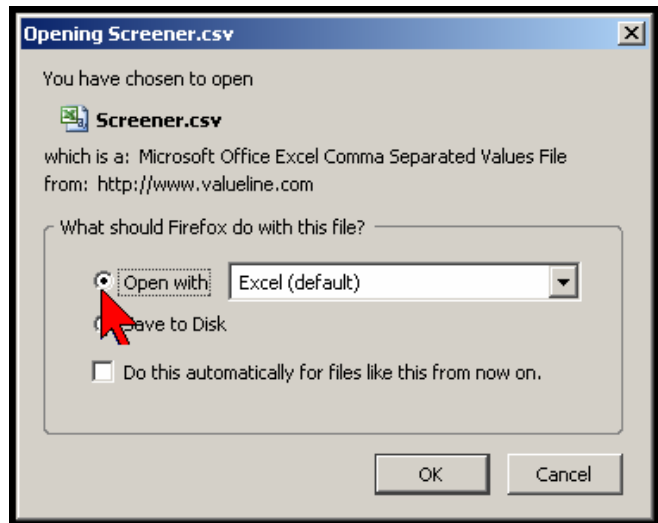


The additional items are:

1. Value Line data Sheet
2. Company Profile
3. Value Line Quotes
4. Not a valid selection with present subscription

Clicking Export Results brings up the Opening Screener.csv window. Select Open with... Excel (default), then click OK. An Excel Workbook with a Worksheet named Screener.csv opens as follows.

{csv = Comma Separated Variables}

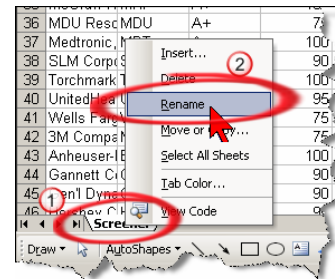


Value Line Screening for Quality

	A	B	C	D	E	F	G	H
1	Company	Ticker	Financial	Earnings	Growth	Price	Stability	Rank
2	AFLAC Inc	AFL	A	100	90	80		
3	Ambac Fin	ABK	A	100	90	75		
4	Arrow Int'l	ARRO	A	95	75	90		
5	Bard (C.R.)	BCR	A	100	90	90		
6	BB&T Corp	BBT	A	75	75	95		
7	Biomet	BMET	A	100	100	75		
8	C.H. Robir	CHRW	A	95	100	80		
9	Church & Dwight	CHD	A	90	90	90		

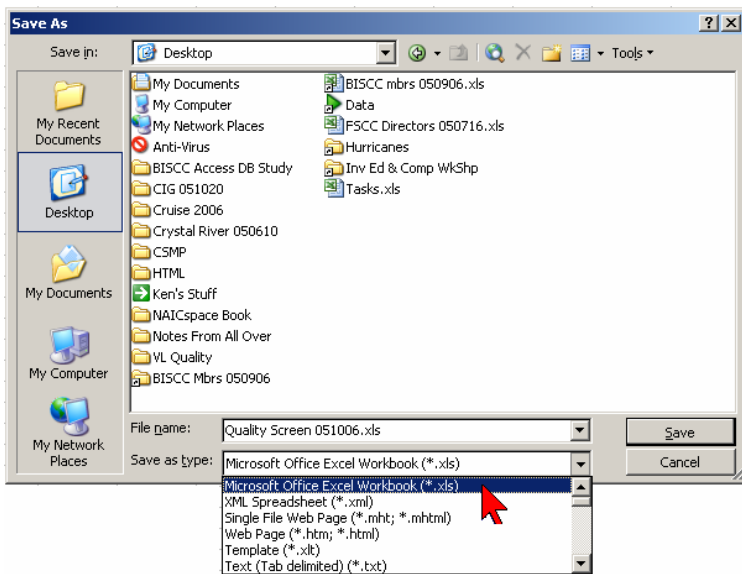
The same data as for the Results Table but in obvious need of formatting.

We will first rename the worksheet to something more appropriate to our screen. Choose "All" as we used all stocks from all countries and from all industries.



Renamed "All"

Next Save the Workbook as an Excel file (changed from .csv). Full name Quality Screen 051006.xls.



The .xls extension is chosen from the pull down menu. The date, 051006 is in yymmdd format for proper sorting later when we have future Quality Screens.

Value Line Screening for Quality

I	J
FinStr	Value
A++	100
A+	90
A	80
B++	70
B+	50
B	30
C++	20
C+	10
C	0

Add data to the worksheet as shown at left in columns I & J, rows 1 through 10. Use menu items Insert > Name > Define and call it FinStr (abbreviation for Financial Strength). The purpose here is to convert the letters and pluses into numeric values.

{The conversion value are those used earlier by Mark Robertson in his studies on Company Quality.}

After some formatting the worksheet appears as at the right. Next:

1. Type Quality into cell G1
2. Type the below equation into cell G2

`=AVERAGE(VLOOKUP(C2, FinStr,2,FALSE),D2:F2)`

3. Copy the equation down for each company.

{This equation averages the 4 items with the VLOOKUP function utilizing the "FinStr" table for conversion values.}

Company	Ticker	Financial Strength	Earnings Predictability	Growth Persistence	Price Stability Rank	Quality	FinStr	Value
AFLAC Inc.	AFL	A	100	90	80	88	A++	100
Ambac Fin'l Group	ABK	A	100	90	75		A+	90
Arrow Int'l	ARRO	A	95	75	90		A	80
Bard (C.R.)	BCR	A	100	90	90		B++	70
BB&T Corp.	BBT	A	75	75	95		B+	50
Biomet	BMET	A	100	100	75		B	30
C. H. Robinson	CHRW	A	95	100	80		C++	20
Church & Dwight	CHD	A	95	100	80		C+	10
Commerce Bancshs.	CBSH	A	100	85	100		C	0
Entergy Corp.	ETR	A	80	85	90			
Florida Rock	FRK	A	90	100	75			
Gen'l Mills	GIS	A	75	75	100			
Harte-Hanks	HHS	A	100	100	95			

Sort by: Quality (Descending)

Then by: Financial Strength (Descending)

Then by: Earnings Predictability (Descending)

My data range has: Header row No header row

Buttons: Options..., OK, Cancel

Our next task is to Sort (Menu Data > Sort to bring up the window at left) the companies such that the one with the best quality score is at the top of the list. Sort by (all in Descending order):

1. Quality
2. Financial Strength
3. Earnings Predictability

{The latter two items are arbitrary, i.e., your choice}

Value Line Screening for Quality

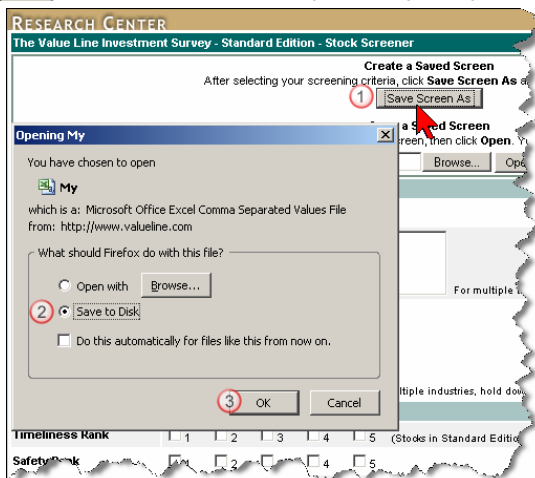
	A	B	C	D	E	F	G
1	Company	Ticker	Financial Strength	Earnings Predictability	Growth Persistence	Price Stability Rank	Quality
2	Wrigley (Wm.) Jr.	WWWY	A++	100	85	100	96
3	McGraw-Hill	MHP	A+	100	100	95	96
4	Anheuser-Busch	BUD	A++	100	80	100	95
5	Johnson & Johnson	JNJ	A++	100	80	100	95
6	Hershey Co.	HSY	A++	95	90	95	95
7	Procter & Gamble	PG	A++	100	75	100	94
8	Sysco Corp.	SYX	A++	100	85	90	94
9	Brown-Forman 'B'	BFB	A+	95	90	100	94
10	Harte-Hanks	HHS	A	100	100	95	94
11	Wal-Mart Stores	WMT	A++	100	80	90	93
12	Walgreen Co.	WAG	A++	100	85	85	93
13	Alberto Culver	ACV	A+	100	80	100	93
14	Torchmark Corp.	TMK	A+	100	85	95	93
15	SLM Corporation	SLM	A+	90	95	95	93
16	Marshall & Ilsley	MI	A	100	95	95	93
17	Stryker Corp.	SYK	A	100	100	90	93
18	Gen'l Dynamics	GD	A++	90	90	85	91
19	Jefferson-Pilot Corp.	JP	A+	100	75	100	91

Peruse the results and you will find many of the companies to be favorites among BetterInvesting Investment Clubs.

Hopefully this is a list of 51 companies of quality on the date of the study.

{Remember to use your Stock Selection process to confirm findings of quality and to see if the price is right before making any buy, sell, or hold decisions.}

Next we will save our Value Line Screen for use in a month or another quarter to see if the same stocks are still on the list in the same order.

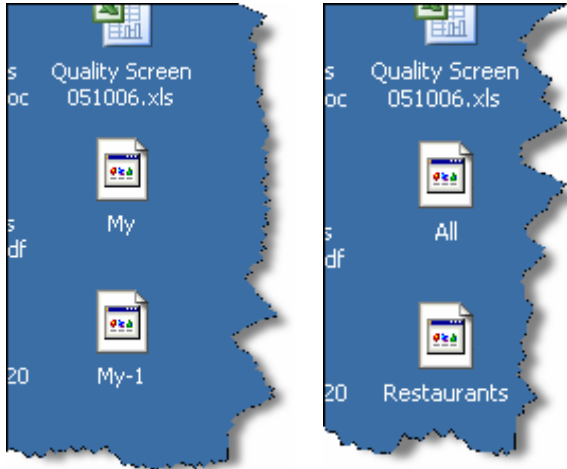


To save your screen:

1. Click Save Screen As
2. Click Save to Disk
3. Then OK

You will not be given a chance to name your saved file so accept the default name "My" for we will be able to change it to something more useful later.

Value Line Screening for Quality



Subsequent saved screens are appended with a dash number.

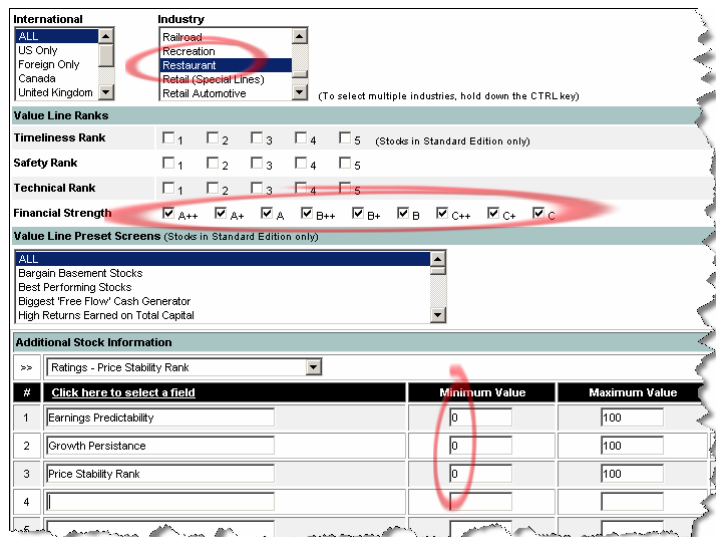
They have been changed to All and Restaurants.

{Note that these file do not have an extension.}

{Next we will get to a look at the quality of stocks in the Restaurant industry.}

Back at the Value Line Stock Screener we will

1. Choose Restaurant as our Industry to study
2. Select all of the Financial Strength boxes
3. Set the Minimum Value to zero for all three Ratings fields



	A	B	C	D	E	F	G
	Company	Ticker	Financial Strength	Earnings Predictability	Growth Persistence	Price Stability Rank	Quality
1							
2	Starbucks Corp.	SBUX	A	100	100	70	88
3	Cheesecake Factory	CAKE	A	90	100	65	84
4	Wendy's Int'l	WEN	A	100	65	85	83
5	Sonic Corp.	SONC	B+	100	100	75	81
6	Brinker Int'l	EAT	A	95	80	65	80
7	Outback Steakhouse	OSI	B++	90	80	80	80
8	Ruby Tuesday	RI	B++	95	85	65	79
9	Darden Restaurants	DRI	A	90	80	60	78
10	Applebee's Int'l	APPB	B++	100	70	65	76
11	Steak n Shake	SNS	B++	100	70	65	76
12	Yum! Brands	YUM	B++	80	85	70	76
13	CEC Entertainment	CEC	B+	95	100	55	75
14	IHOP Corp.	IHP	B	95	95	75	74
15	McDonald's Corp.	MCD	A++	85	35	75	74
16	Jack in the Box	JBX	B	95	90	65	70
17	RARE Hospitality	RARE	B++	70	90	50	70
18	Bob Evans Farms	BOBE	B++	65	60	80	69
19	P.F. Chang's	PFCB	B++	95	90	20	69
20	Papa John's Int'l	PZZA	B++	80	35	85	68
21	Ryan's Restaurant	RYAN	B	85	65	70	63
22	Triarc Cos. 'A'	TRY	B	25	95	100	63
23	CBRL Group	CBRL	B++	70	50	55	61
24	Landry's Restaurants	LNRY	B++	70	50	45	59
25	O'Charleys Inc.	CHUX	B	75	75	45	56
26	Lone Star Steakhouse	STAR	B++	55	35	60	55
27	Panera Bread Co.	PNRA	B+	45	75	30	50
28	California Pizza	CPKI	B+	35	15	35	34
29	Krispy Kreme	KKD	C	70	25	20	29
30	CKE Restaurants	CKR	B	15	20	15	20

After formatting, adding the Financial Strength conversion table, the Quality equations, and sorting, we have the Restaurants listed in Value Line arrayed from best to worst.

With little chance of a tie, these records were sorted in descending order of Quality only.

Value Line Screening for Quality

From here:

1. If you have gotten this far, congratulations! There are many steps but they are simple steps and with practice you will be able to screen in record time.
2. Save your screens for reuse in a week, month, or better yet, a quarter.
3. Save your Excel Workbooks so that you are able to compare results next quarter. Who is moving up, down, or out? Who are the new companies to make the list.
4. When you develop a particularly useful screen, share it with your club members. All that you need to do is pass on the saved screens.