



RELIABLE TRADING

# How to Pick Stocks Using Free Screening Tools

SEANALLISON

## How to Pick Stocks Using Free Screening Tools

Investing in the stock market can be a rewarding way to build wealth, but it requires careful analysis and the ability to identify promising opportunities. With countless stocks to choose from, the process of finding good investments can be overwhelming.

However, with the right tool and selection criteria you can streamline your decision-making process.

One of the most effective ways to uncover potential stocks is by using the free stock scanner and analysis tool called “Finviz”. This tool will allow you to quickly filter stocks based on specific criteria, such as price, performance, and fundamental indicators, helping you identify promising stocks to add to your investment portfolio and hold long term.

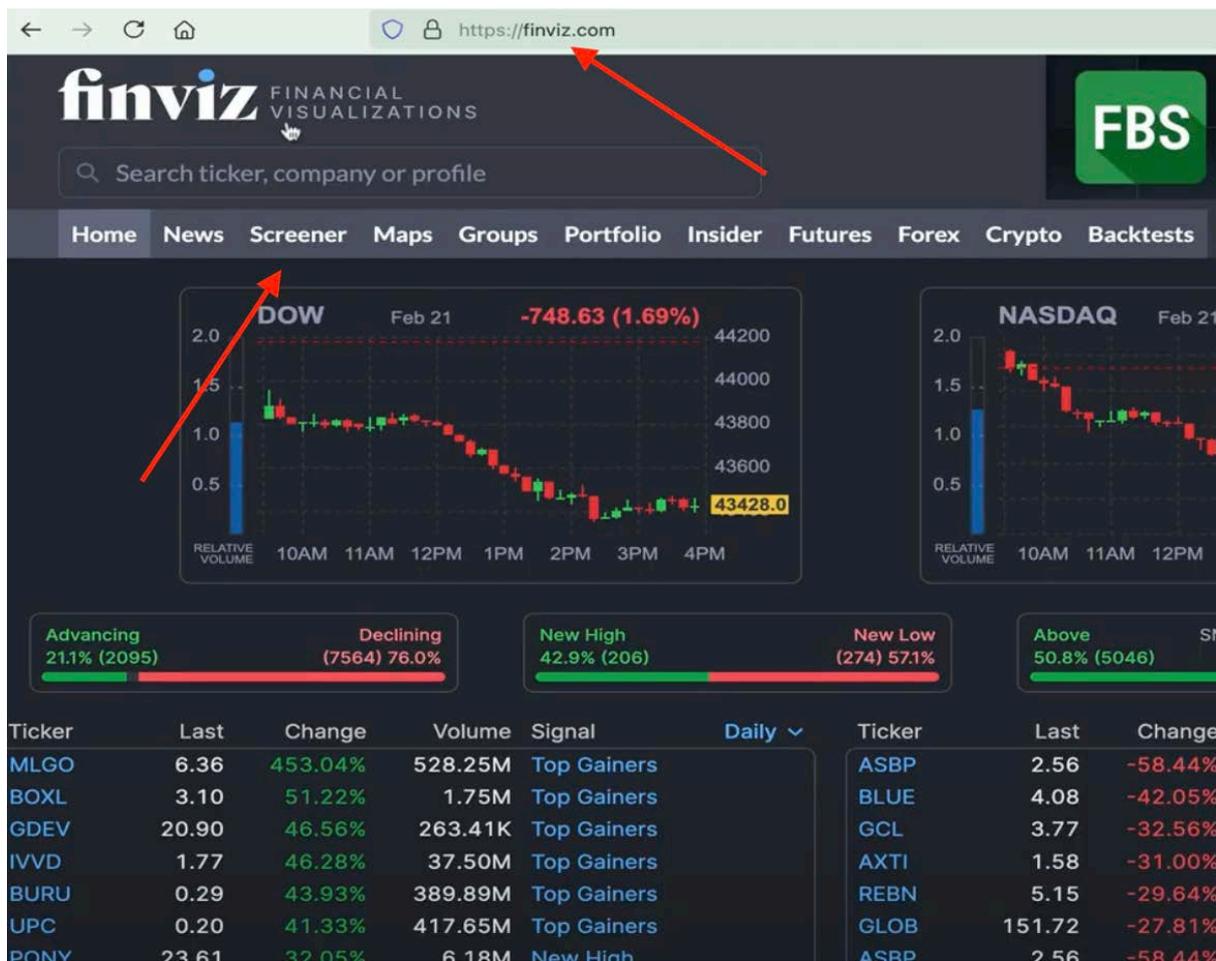
This report will explore how to effectively use Finviz to evaluate and select high-quality stocks, providing a practical guide whether you’re a novice or experienced investor looking to enhance your stock-picking skills.

So let’s get started!

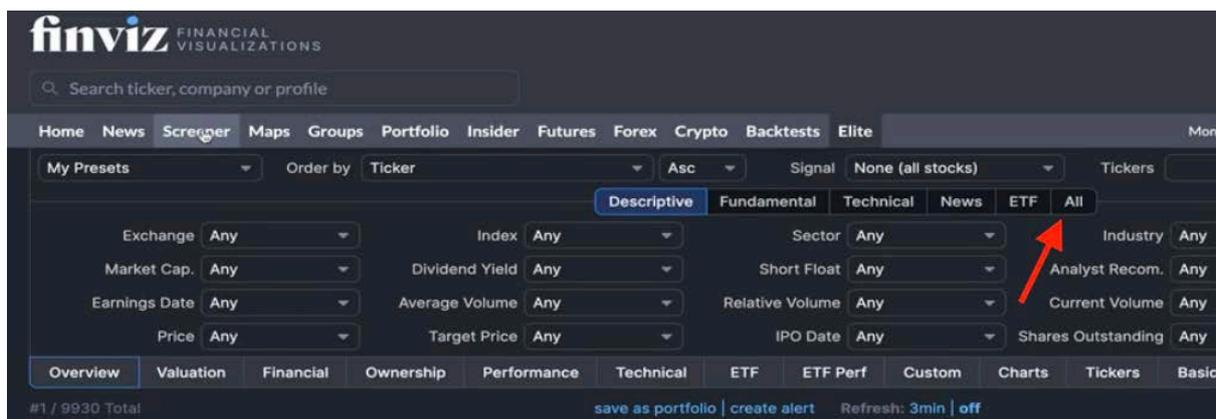
### **Step 1:**

The first step is going to <https://finviz.com>.

Then, click on “screener”:



Next, click on “all”:



## Step 2:

The second step is to identify stocks who are moving up. In other words, who are in an uptrend.

To do so, click on the drop-down menu next to “50-Day Simple Moving Average”:



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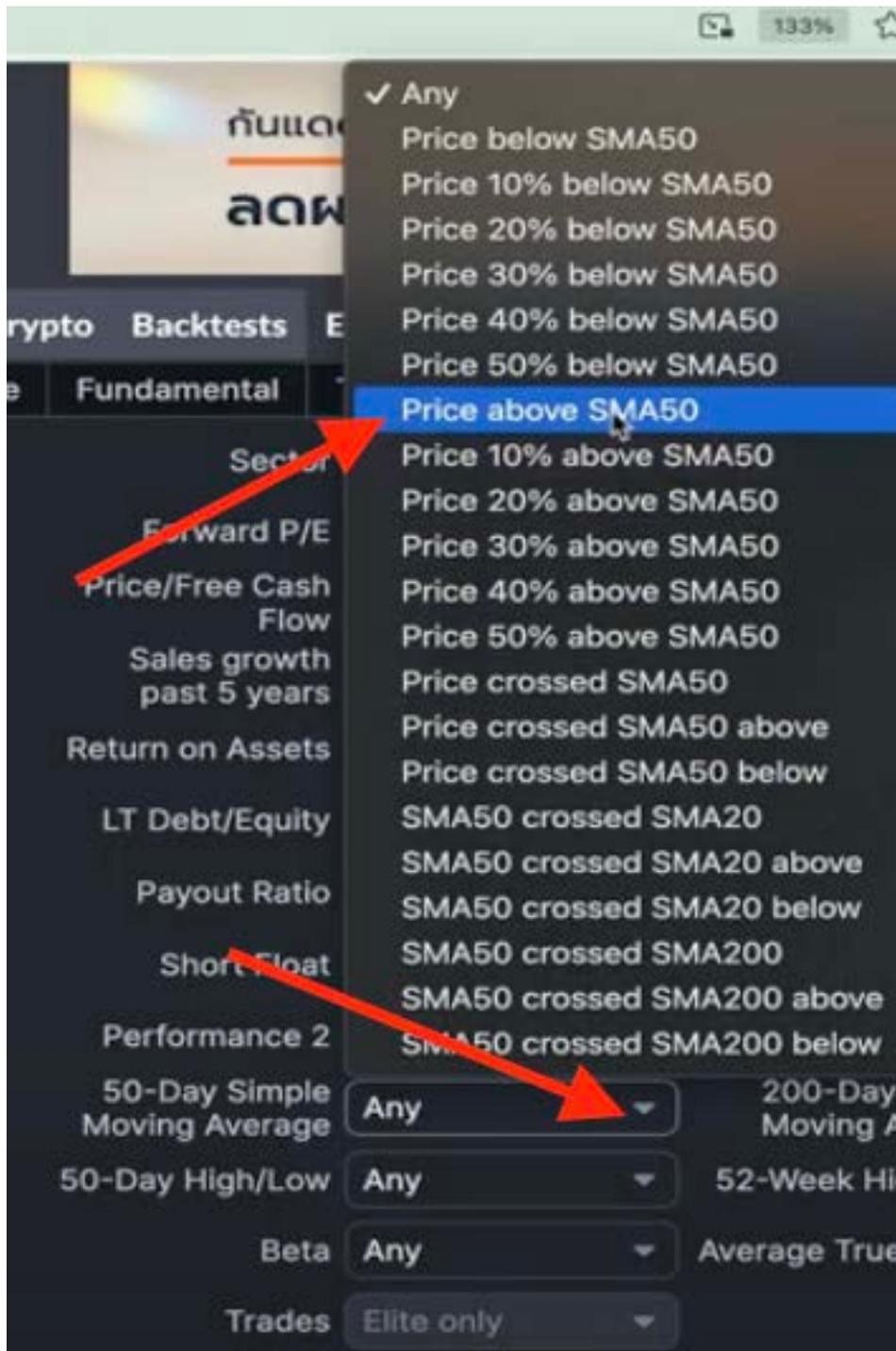
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Home News Screener Maps Groups Portfolio Insider Futures Forex Crypto Backtests Elite
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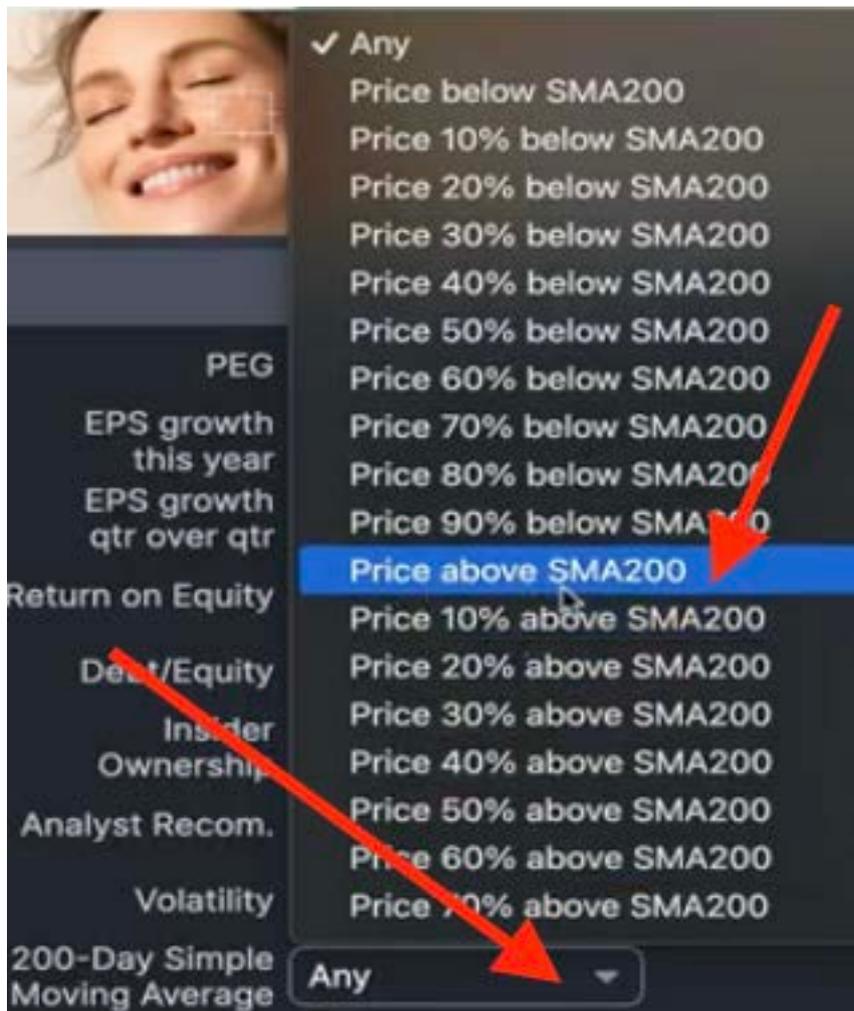
ETF Filters Descriptive Fundamental Technical News ETF All

Exchange	Any	Index	Any	Sector	Any	Industry	Any
Market Cap.	Any	P/E	Any	Forward P/E	Any	PEG	Any
P/B	Any	Price/Cash	Any	Price/Free Cash Flow	Any	EPS growth this year	Any
EPS growth past 5 years	Any	EPS growth next 5 years	Any	Sales growth past 5 years	Any	EPS growth qtr over qtr	Any
Earnings & Revenue Surprise	Any	Dividend Yield	Any	Return on Assets	Any	Return on Equity	Any
Current Ratio	Any	Quick Ratio	Any	LT Debt/Equity	Any	Debt/Equity	Any
Operating Margin	Any	Net Profit Margin	Any	Payout Ratio	Any	Insider Ownership	Any
Institutional Ownership	Any	Institutional Transactions	Any	Short Float	Any	Analyst Recom.	Any
Earnings Date	Any	Performance	Any	Performance 2	Any	Volatility	Any
Gap	Any	20-Day Simple Moving Average	Any	50-Day Simple Moving Average	Any	200-Day Simple Moving Average	Any
Change from Open	Any	20-Day High/Low	Any	50-Day High/Low	Any	52-Week High/Low	Any
Pattern	Any	Candlestick	Any	Beta	Any	Average True Range	Any
Relative Volume	Any	Current Volume	Any	Trades	Elite only	Price	Any
IPO Date	Any	Shares Outstanding	Any	Float	Any	After-Hours Close	Any
Latest News	Any	News Keywords	Elite only	Single Category	Any	Asset Type	Any
Net Expense Ratio	Any	Net Fund Flows	Any	Annualized Return	Any	Tags	Any

From the drop-down menu, select "Price Above SMA50"



Then, click on the drop-down menu next to “200-Day Simple Moving Average” and select “Price above SMA200”:



When you do, you'll notice it narrows down the search results significantly to about 3,700 stocks that match this criteria:

Home	News	Screener	Maps	Groups	Portfolio	Insider	Futures	Forex	Crypto	Backtests	Elite
Change from Open	Any	20-Day High/Low	Any	50-Day High/Low	Any	52-Week					
Pattern	Any	Candlestick	Any	Beta	Any	Average Tr					
Relative Volume	Any	Current Volume	Any	Trades	Elite only						
IPO Date	Any	Shares Outstanding	Any	Float	Any	After-Ho					
Latest News	Any	News Keywords	Elite only	Single Category	Any	As					
Net Expense Ratio	Any	Net Fund Flows	Any	Annualized Return	Any						

Overview	Valuation	Financial	Ownership	Performance	Technical	ETF	ETF Perf	Custom	Charts	T
#1 / 3786 Total			save as portfolio   create alert			Refresh: 3min   off				
No.	Ticker	Company	Sector	Industry						
1	AAAU	Goldman Sachs Physical Gold ETF	Financial	Exchange Traded Fund						
2	AACBU	Artius II Acquisition Inc	Financial	Shell Companies						
3	AACG	ATA Creativity Global ADR	Consumer Defensive	Education & Training Services						
4	AACT	Ares Acquisition Corporation II	Financial	Shell Companies						
5	AADR	AdvisorShares Dorsey Wright ADR ETF	Financial	Exchange Traded Fund						
6	AAM	AA Mission Acquisition Corp	Financial	Shell Companies						
7	AAPB	GraniteShares 2x Long AAPL Daily ETF	Financial	Exchange Traded Fund						
8	AAPG	Ascentage Pharma Group International ADR	Healthcare	Biotechnology						
9	AAPL	Apple Inc	Technology	Consumer Electronics						
10	AAPR	Innovator Equity Defined Protection ETF - 2 Yr to April 2026	Financial	Exchange Traded Fund						
11	AAPU	Direxion Daily AAPL Bull 2X Shares	Financial	Exchange Traded Fund						
12	AAPX	T-Rex 2X Long Apple Daily Target ETF	Financial	Exchange Traded Fund						

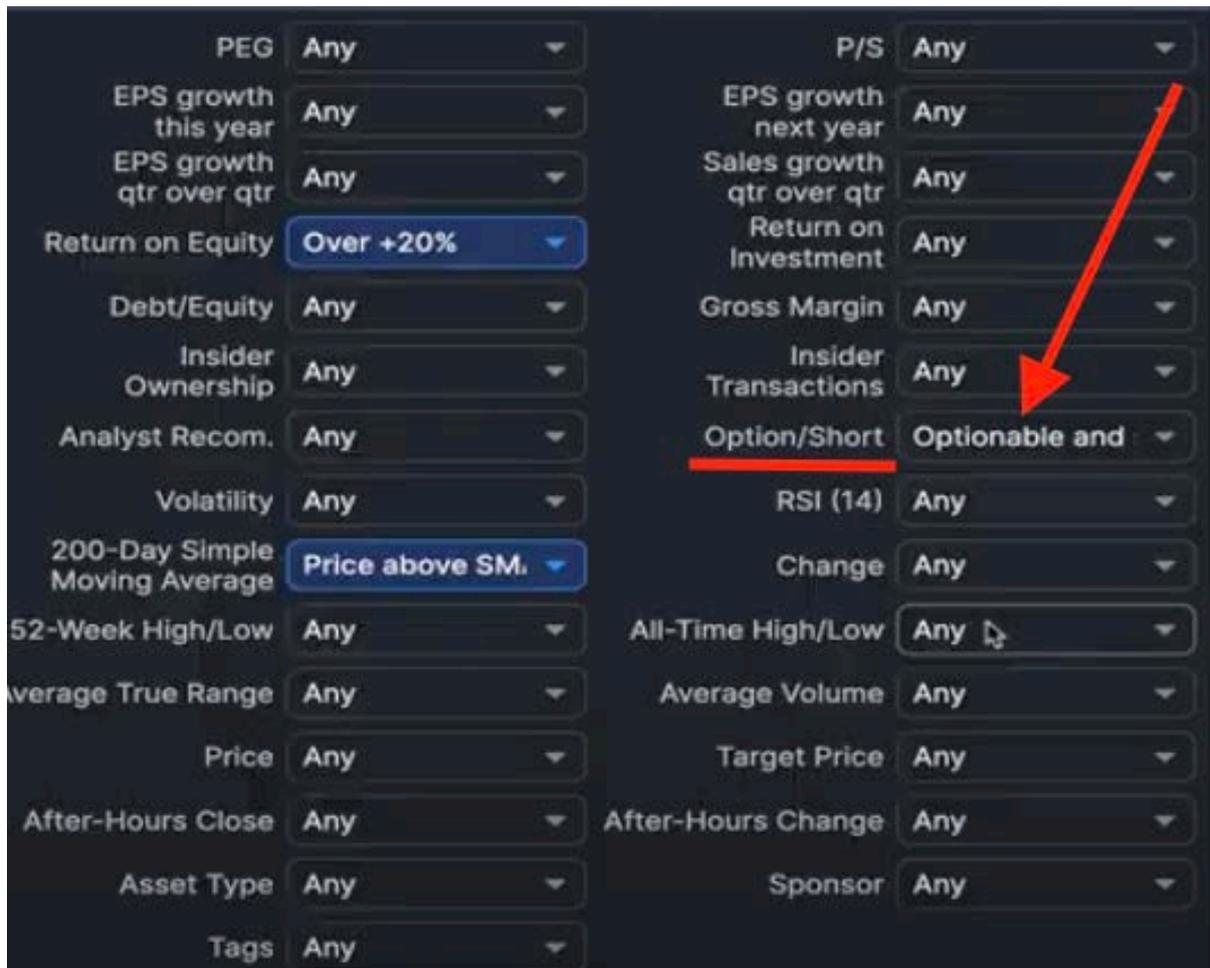
### Step 3:

The third step is narrowing down the search results even further by making sure the stocks are generating good returns for the investors owning them.

In other words, we want a return on equity that is over 20%:

Sector	Any	Industry	Any
Forward P/E	Any	PEG	Any
Price/Free Cash Flow	Any	EPS growth this year	Any
Sales growth past 5 years	Any	EPS growth qtr over qtr	Any
Return on Assets	Any	Return on Equity	Over +20%
LT Debt/Equity	Any	Debt/Equity	Any
Payout Ratio	Any	Insider Ownership	Any
Short Float	Any	Analyst Recom.	Any
Performance 2	Any	Volatility	Any
50-Day Simple Moving Average	Price above SM	200-Day Simple Moving Average	Price above SM
50-Day High/Low	Any	52-Week High/Low	Any

Next, we want to make sure these stocks are optionable and shortable to narrow down the search results even further:



#### Step 4:

The fourth step is to make sure that the average volume of these stocks is over \$1 million.

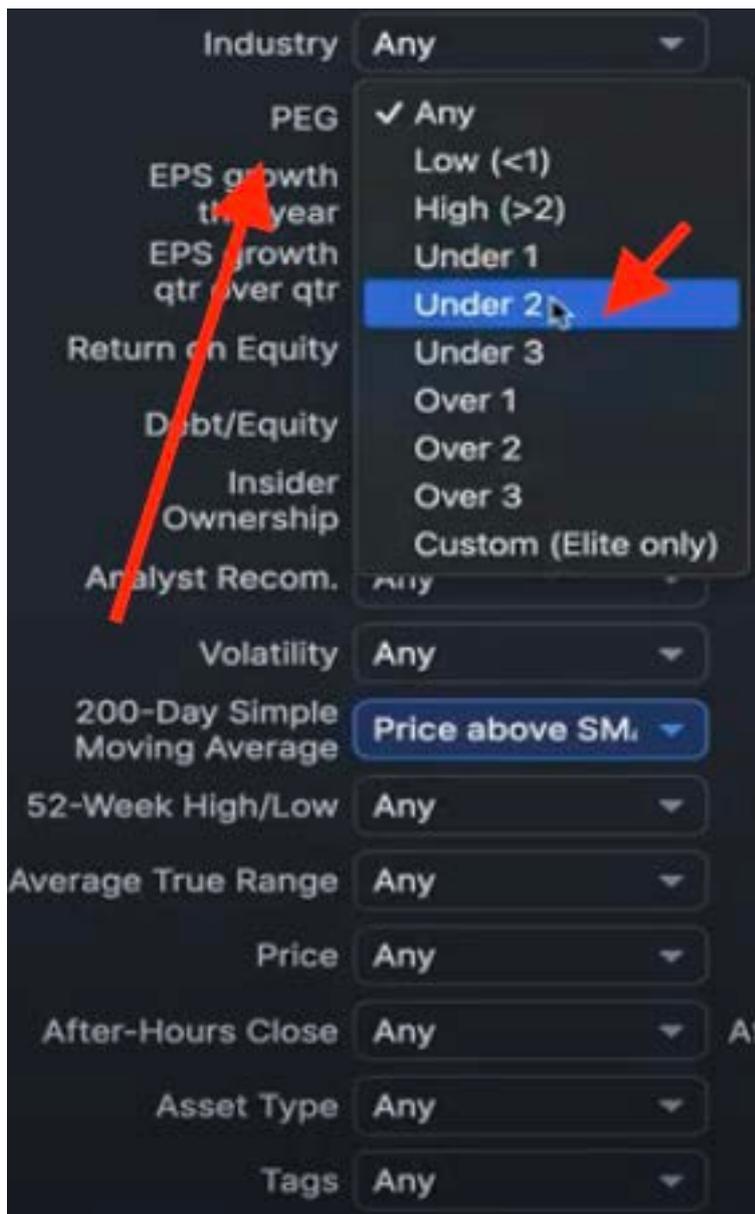
"Average volume" refers to the average number of shares traded in a stock over a specific period, typically calculated daily over the past 30 days. It provides insight into a stock's liquidity and trading activity to help you gauge how easily you can buy or sell the stock without affecting its price.

To do so, click on the drop-down menu next to "Average Volume" and then select "Over 1M":

The image shows a financial data filtering interface. At the top, there is a banner for 'L200 TRITON' with '4x4', '5', and 'CONHEÇA ACORA' logos. Below the banner, the interface is divided into several columns of filters. The 'Backtests' column includes filters like Forward P/E, Price/Free Cash Flow, Sales growth past 5 years, Return on Assets, LT Debt/Equity, Payout Ratio, Short Float, Performance 2, 50-Day Simple Moving Average, 50-Day High/Low, Beta, Trades, Float, and Single Category. The 'Elite' column includes filters like PEG, EPS growth this year, EPS growth qtr over qtr, Return on Equity, Debt/Equity, Insider Ownership, Analyst Recom., Volatility, 200-Day Simple Moving Average, 52-Week High/Low, Average True Range, Price, After-Hours Close, and Asset Type. The 'Mon FEB 24 2025 5:00 AM ET' and 'Theme' are also visible. A dropdown menu is open for the 'Average Volume' filter, showing options: Any, Under 50K, Under 100K, Under 500K, Under 750K, Under 1M, Over 50K, Over 100K, Over 200K, Over 300K, Over 400K, Over 500K, Over 750K, Over 1M, Over 2M, 100K to 500K, 100K to 1M, 500K to 1M, 500K to 10M, and Custom (Elite only). A red arrow points to the 'Over 1M' option. Another red arrow points to the 'Average Volume' filter itself.

Filter	Value
Forward P/E	Any
Price/Free Cash Flow	Any
Sales growth past 5 years	Any
Return on Assets	Any
LT Debt/Equity	Any
Payout Ratio	Any
Short Float	Any
Performance 2	Any
50-Day Simple Moving Average	Price above SM.
50-Day High/Low	Any
Beta	Any
Trades	Elite only
Float	Any
Single Category	Any
PEG	Any
EPS growth this year	Any
EPS growth qtr over qtr	Any
Return on Equity	Over +20%
Debt/Equity	Any
Insider Ownership	Any
Analyst Recom.	Any
Volatility	Any
200-Day Simple Moving Average	Price above SM.
52-Week High/Low	Any
Average True Range	Any
Price	Any
After-Hours Close	Any
Asset Type	Any
Average Volume	Over 1M
Target Price	Any
After-Hours Change	Any
Sponsor	Any

Next, click on the drop-down menu next to “PEG” and select “Under 2”:



A PEG ratio (Price/Earnings to Growth ratio) under 2 indicates that a stock is potentially undervalued relative to its earnings growth rate, suggesting it may be a good investment opportunity.

Generally, a PEG ratio under 2 is considered attractive, as it implies that the stock is not overpriced for its future growth potential.

This will significantly narrow down the list to as low as 40 stocks, that fit all these selection criteria so far:

**finviz** FINANCIAL VISUALIZATIONS

Search ticker, company or profile

Home News **Screener** Maps Groups Portfolio Insider Futures Forex Cr

Relative Volume Any Current Volume Any  
 IPO Date Any Shares Outstanding Any  
 Latest News Any News Keywords Elite only  
 Net Expense Ratio Any Net Fund Flows Any

Overview Valuation Financial Ownership Performance Technical

#1 / 40 Total [save as port](#)

No.	Ticker ^	Company	Sector
1	<b>ABT</b>	Abbott Laboratories	Healthcare
2	<b>ATAT</b>	Atour Lifestyle Holdings Ltd ADR	Consumer Cyclical
3	<b>CAKE</b>	Cheesecake Factory Inc	Consumer Cyclical
4	<b>CHTR</b>	Charter Communications Inc	Communication Services
5	<b>CLS</b>	Celestica, Inc	Technology
6	<b>CWAN</b>	Clearwater Analytics Holdings Inc	Technology
7	<b>DLO</b>	DLocal Limited	Technology
8	<b>EBAY</b>	EBay Inc	Consumer Cyclical
9	<b>EQH</b>	Equitable Holdings Inc	Financial
10	<b>EXEL</b>	Exelixis Inc	Healthcare
11	<b>EXPE</b>	Expedia Group Inc	Consumer Cyclical
12	<b>FOX</b>	Fox Corporation	Communication Services
13	<b>FOXA</b>	Fox Corporation	Communication Services
14	<b>G</b>	Genpact Ltd	Technology
15	<b>GE</b>	GE Aerospace	Industrials
16	<b>GFI</b>	Gold Fields Ltd ADR	Basic Materials
17	<b>HALO</b>	Halozyme Therapeutics Inc	Healthcare
18	<b>HES</b>	Hess Corporation	Energy
19	<b>HESM</b>	Hess Midstream LP	Energy

**Step 5:**

The fifth step is selecting from these stocks the ones that are moving up strongly.

To do so, click on “change” twice. When you do, it gives you the list of stocks that have moved up the most.

#1 / 40 Total save as portfolio | create alert Refresh: 3min | off Page 1 / 2

No.	Ticker	Company	Sector	Industry	Country	Market Cap	P/E	Price	Change	Volume
1	ABT	Abbott Laboratories	Healthcare	Medical Devices	USA	234.01B	17.61	131.34	1.31%	7,108,543
2	ATAT	Atour Lifestyle Holdings Ltd ADR	Consumer Cyclical	Lodging	China	3.53B	26.83	31.26	-2.07%	1,529,066
3	CAKE	Cheesecake Factory Inc	Consumer Cyclical	Restaurants	USA	2.79B	7.08	54.65	-0.58%	2,231,528
4	CHTR	Charter Communications Inc	Communication Services	Telecom Services	USA	57.20B	10.26	361.00	-0.55%	614,200
5	CLS	Celestica, Inc	Technology	Electronic Components	Canada	13.88B	31.79	119.25	-4.62%	4,455,197
6	CWAN	Clearwater Analytics Holdings Inc	Technology	Software - Application	USA	7.77B	18.93	31.26	4.41%	4,879,547
7	DLO	DLocal Limited	Technology	Software - Infrastructure	USA	3.59B	27.90	12.60	-2.25%	2,502,196
8	EBAY	EBay Inc	Consumer Cyclical	Internet Retail	USA	33.24B	17.53	69.39	-0.10%	4,009,396
9	EQH	Equitable Holdings Inc	Financial	Asset Management	USA	16.10B	13.43	51.37	-4.80%	2,632,075
10	EXEL	Exelixis Inc	Healthcare	Biotechnology	USA	10.31B	20.79	36.85	5.02%	3,489,816
11	EXPE	Expedia Group Inc	Consumer Cyclical	Travel Services	USA	25.36B	21.76	196.81	-4.06%	2,557,910
12	FOX	Fox Corporation	Communication Services	Entertainment	USA	24.89B	11.34	53.01	-0.67%	1,091,912
13	FOXA	Fox Corporation	Communication Services	Entertainment	USA	24.89B	12.19	56.95	-0.75%	4,255,255

That way, the stocks with their price in green are at the top of the list:

#1 / 40 Total save as portfolio | create alert Refresh: 3min | off Page 1 / 2

No.	Ticker	Company	Sector	Industry	Country	Market Cap	P/E	Price	Change	Volume
1	PDD	PDD Holdings Inc ADR	Consumer Cyclical	Internet Retail	China	182.40B	12.91	131.34	5.57%	16,778,200
2	EXEL	Exelixis Inc	Healthcare	Biotechnology	USA	10.31B	20.79	36.85	5.02%	3,489,816
3	CWAN	Clearwater Analytics Holdings Inc	Technology	Software - Application	USA	7.77B	18.93	31.26	4.41%	4,879,547
4	VIPS	Vipshop Holdings Ltd ADR	Consumer Cyclical	Internet Retail	China	6.41B	7.40	14.73	1.38%	7,649,730
5	ABT	Abbott Laboratories	Healthcare	Medical Devices	USA	234.01B	17.61	134.92	1.31%	7,108,543
6	WRB	W.R. Berkley Corp	Financial	Insurance - Property & Casualty	USA	23.23B	13.98	60.97	0.84%	1,639,489
7	HALO	Halozyme Therapeutics Inc	Healthcare	Biotechnology	USA	7.11B	16.82	57.75	0.54%	1,299,490
8	ZIM	Zim Integrated Shipping Services Ltd	Industrials	Marine Shipping	Israel	2.52B	1.75	20.91	0.43%	4,850,790
9	LLY	Lilly(Eli) & Co	Healthcare	Drug Manufacturers - General	USA	828.40B	76.04	873.68	0.06%	3,909,180

### Step 6:

The sixth step is to go to <https://finance.yahoo.com/>

Type the first stock ticker from the list whose price is in green (in this case 'PDD') in the search box and select it from the drop down menu.



Then, go to "statistics" and make sure the 'peg ratio' is under 2

	Current
Market cap	182.40B
Enterprise value	141.30B
Trailing P/E	13.01
Forward P/E	10.12
PEG ratio (5-yr expected)	<u>0.58</u>
Price/sales	3.78
Price/book	4.77
Enterprise value/revenue	2.76
Enterprise value/EBITDA	8.06

**PDD**  
PDD Holdings Inc.  
128.40 -2.24% 

Summary  
News  
Chart  
**Statistics**  
Historical data  
Profile  
Financials  
Analysis  
Options  
Holders  
Sustainability



In this case, the PEG ratio is 0.58 (which is under 2).

Next, you'll need to check the following numbers:

Return on equity: over 20%

Quarterly revenue growth: over 15%

Quarterly earnings growth: over 15%

Total cash is more than total debt

Percentage held by institutions: above 25%

These numbers have been underlined in red below:

PDD Holdings Inc.		Return on assets (ttm)	16.84%	Share statistics	
128.40 -2.24% €		Return on equity (ttm)	49.15%	Avg vol (3-month) <sup>3</sup>	9.19M
Summary		<b>Income statement</b>		Avg vol (10-day) <sup>3</sup>	10.19M
News		Revenue (ttm)	372.11B	Shares outstanding <sup>5</sup>	1.39B
Chart		Revenue per share (ttm)	269.81	Implied shares outstanding <sup>6</sup>	1.33B
Statistics		Quarterly revenue growth (yoy)	44.30%	Float <sup>8</sup>	2.98B
Historical data		Gross profit (ttm)	230.93B	% held by insiders <sup>1</sup>	0.01%
Profile		EBITDA	104.93B	% held by institutions <sup>1</sup>	31.88%
Financials		Net income avi to common (ttm)	108.27B	Shares short (31/01/2025) <sup>4</sup>	28.6M
Analysis		Diluted EPS (ttm)	10.09	Short ratio (31/01/2025) <sup>4</sup>	3.8
Options		Quarterly earnings growth (yoy)	60.80%	Short % of float (31/01/2025) <sup>4</sup>	3.47%
Holders		<b>Balance sheet</b>		Short % of shares outstanding (31/01/2025) <sup>4</sup>	2.06%
Sustainability		Total cash (mrq)	308.46B	Shares short (prior month 31/12/2024) <sup>4</sup>	23.85M
		Total cash per share (mrq)	55.64	<b>Dividends &amp; splits</b>	
		Total debt (mrq)	10.24B	Forward annual dividend rate <sup>4</sup>	--
		Total debt/equity (mrq)	3.68%	Forward annual dividend yield <sup>4</sup>	--
		Current ratio (mrq)	2.15	Trailing annual dividend rate <sup>3</sup>	0.00
		Book value per share (mrq)	200.96	Trailing annual dividend yield <sup>3</sup>	0.00%

### Step 7:

The seventh and last step is to go to “financials” and check “total revenue” to see if the total revenue has been increasing. In this case, it clearly has:

PDD Holdings Inc. (PDD) (☆ Follow) (↔ Compare)					
131.34 +6.93 +(5.57%)		128.40 -2.94 (-2.24%)		Start Trading >>	
At close: 21 February at 4:00:00 pm GMT-5		Pre-market: 5:02:21 am GMT-5 €		Plus500 CFD Service. Your capital is at risk.	
Income statement		Balance sheet		Cash flow	
All numbers in thousands					
		Annual		Quarterly	
		Expand all			
Breakdown	TTM	31/12/2023	31/12/2022	31/12/2021	31/12/2020
✓ Total revenue	372,107,027	247,639,205	130,557,589	93,949,939	59,491,865
Cost of revenue	141,180,270	91,723,577	31,462,298	31,718,093	19,278,641
Gross profit	230,926,757	155,915,628	99,095,291	62,231,846	40,213,224
✓ Operating expense	125,701,142	97,216,866	68,693,370	55,335,084	49,593,549
Operating income	105,225,615	58,698,762	30,401,921	6,896,762	-9,380,325
✓ Net non-operating interest in...	19,671,490	10,194,093	3,945,445	1,830,660	1,698,030

Then, click on “cash flow” and check “free cash flow” (underlined in red below):

Summary  
News  
Chart  
Statistics  
Historical data  
Profile  
**Financials**  
Analysis  
Options  
Holders  
Sustainability

NasdaqGS - Delayed Quote - USD  
**PDD Holdings Inc. (PDD)** ☆ Follow ⚡ Compare

**131.34 +6.93 +(5.57%) 128.40 -2.94 (-2.24%)**  
At close: 21 February at 4:00:00 pm GMT-5 Pre-market: 5:02:21 am GMT-5 € Start Tr Plus500 CFD Service. Y

Income statement Balance sheet **Cash flow**

All numbers in thousands Annual Quarterly

Breakdown	TTM	31/12/2023	31/12/2022	31/12/2021
Operating cash flow	129,272,803	94,162,531	48,507,860	28,783,011
Investing cash flow	-104,281,450	-55,431,278	-22,361,670	-35,562,365
Financing cash flow	-8,967,407	-8,960,626	10,079	-1,875,154
End cash position	127,377,205	121,779,905	92,300,417	66,043,971
Income tax paid supplemental d...	--	5,764,435	4,881,252	--
Capital expenditure	--	-583,879	-635,716	-3,287,232
Issuance of capital stock	--	--	--	--
Issuance of debt	--	--	--	--
Repayment of debt	--	-8,968,817	--	-1,875,472
Free cash flow	128,688,924	93,578,652	47,872,144	25,495,779

The “free cash flow” shows how much cash is left after the company has paid for its expenses. The more ‘free cash flow’ a company has, the healthier it is.

Ideally, you want the ‘free cash flow’ to be increasing. And in the case of the PDD stock, it clearly has.

Lastly, follow the same process for the next stock. In this case, you would follow the same process for the EXEL stock:

FTSE 100 Table save as portfolio | create alert | refresh | 2min | off

No.	Ticker	Company	Sector	Industry	Country	Market Cap	P/E	Price
1	PDD	PDD Holdings Inc ADR	Consumer Cyclical	Internet Retail	China	182.40B	12.91	131.34
2	EXEL	Exelixis Inc	Healthcare	Biotechnology	USA	10.31B	20.79	36.92
3	CWAN	Clearwater Analytics Holdings Inc	Technology	Software - Application	USA	7.77B	18.93	31.28
4	VIPS	Vipshop Holdings Ltd ADR	Consumer Cyclical	Internet Retail	China	6.41B	7.46	14.73
5	ABB	Abbott Laboratories	Healthcare	Medical Devices	USA	234.01B	17.61	138.99
6	WBS	W.R. Berkley Corp	Financial	Insurance - Property & Casualty	USA	23.23B	13.09	80.97
7	HALO	Halozyme Therapeutics Inc	Healthcare	Biotechnology	USA	7.11B	16.62	67.79
8	ZIM	Zim Integrated Shipping Services Ltd	Industrials	Marine Shipping	Israel	2.52B	1.72	30.91
9	LLY	Lilly (Eli) & Co	Healthcare	Drug Manufacturers - General	USA	628.40B	16.04	473.98

Once you’ve followed the process for all stocks, you will have created 2 columns. A column listing the stocks that fit the criteria outlined in step 6 and 7 of this report, and a column listing the stocks that don’t fit the criteria.

You can then decide which stock(s) to purchase.

So there you have it, the 7 steps to finding promising stocks you can purchase and hold long term, that have the potential to bring you good returns.

Sean Allison

