

MARKETXLS RESEARCH

Decoding the **Stock Rank** Algorithm

A transparent look at how MarketXLS evaluates stocks using Value, Quality, and Technical analysis to generate comprehensive stock rankings.

The MarketXLS Algorithm

Our stock ranking algorithm evaluates companies across three key dimensions to identify stocks with strong balance sheets, high quality fundamentals, reasonable valuations, and solid technical indicators.



Value

Compares a stock's intrinsic value to its current market price to identify undervalued opportunities with margin of safety.

P/E Ratio

P/B Ratio

EV/EBITDA

Dividend Yield



Quality

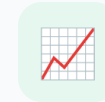
Focuses on fundamental quality metrics including business model strength, financial health, and corporate governance signals.

Altman Z

Piotroski F

Beneish M

Growth



Technical

Uses statistical trends and technical indicators to determine optimal entry and exit timing for maximum returns.

Volume

Moving Avg

RSI

MACD

ADX

Understanding Value

Evaluating a stock's intrinsic value versus its current market price to identify undervalued and overvalued securities.

P/E

P/E Ratio

Price to Earnings Ratio

A high P/E ratio could mean that a company's stock is overvalued, or that investors are expecting high growth rates in the future.

P/B

P/B Ratio

Price to Book Ratio

Compares a company's market value to its book value. A P/B ratio of less than 1 is generally considered a solid investment.

EV

EV/EBITDA

Enterprise Value / EBITDA

Compares the value of a company (debt included) to the company's cash earnings less non-cash expenses. Ideal for comparing companies within the same industry.

D/P

Dividend Yield

Dividend / Price

Shows how much a company pays out in dividends each year relative to its stock price, indicating income-generating potential.



Each of these metrics is compared with their respective industry metrics to arrive at a composite Value score.

Understanding Quality

During times of turmoil or external macro shocks, high-quality stocks prevail in the long run despite short-term selling pressure.



Altman Z Score

Predicts whether a company has a high probability of becoming insolvent. A critical measure of financial distress risk.



Beneish M Score

Identifies if a company has potentially manipulated its reported profits through earnings management techniques.



Piotroski F Score

Assesses the strength of a company's financial position using nine accounting-based criteria to find value stocks.



5-Year Growth Metrics

Compares profitability growth, revenue growth, and free cash flow growth of the stock versus its sector over a 5-year period.



Each of these metrics is compared with their respective sector benchmarks to arrive at a composite Quality score.

Understanding Technical

Technical analysis uses statistical trends and indicators to determine optimal entry and exit timing for stocks.

V

4 pts

Volume

Volume > 20-day avg

Measures how much a given financial asset has traded in a period of time, confirming trend strength.

MA

4 pts

Moving Averages

MA > 20 EMA/DMA

Smoothens price data over a specified period to identify trend direction and momentum.

R

1 pt

RSI

RSI > 70

Evaluates overbought or oversold conditions in the price of a stock.

M

2 pts

MACD

MACD > 0

Shows the relationship between two moving averages of a security's price.

A

3 pts

ADX

ADX > 20, DI+ > DI-

Quantifies trend strength to confirm directional movement.

Total Possible Score

14 points

Each metric is compared with its threshold to arrive at a composite Technical score