

# ShareScope

The latest news and tips from ShareScope

Dear Member

As usual we have been working hard to further enhance ShareScope. At the beginning of the year we added a host of additional fundamental values and, in [GM's column](#), Tim Clarke discusses some interesting alternatives to the PE value. We hoped by now to have added a new portfolio performance reporting



feature but this has taken longer than expected - so please bear with us! We are also working on a revamped Data Mining (stock screening) which will have a simpler interface and include all the new fundamental data items.

It's that time of year when the FT/Investors Chronicle and Shares open the voting for their respective industry awards. As ever, we would be delighted to receive your vote for "Best Investment Software".

To vote in the IC awards, and enter a prize draw for **£1,000**, click [here](#).

To vote in the Shares awards, and enter a prize draw for an **iPad**, click [here](#).

MARTIN STAMP, MD

## Free ShareScope Training

We offer a free training day for *ShareScope Pro* users at our offices in London. We are also happy to offer places to *ShareScope Plus* users if space is available. The courses are held once a month and run from 10am to around 4.30pm. You'll get a comprehensive overview of ShareScope and the ability to have all your questions answered. If you would like to attend one of these sessions, please email [training@sharescope.co.uk](mailto:training@sharescope.co.uk).

We recently held our first monthly webinar for new *ShareScope Gold* users. Our next webinar will take place at **7:30PM** on **Wednesday 30th July** and existing users are also welcome. To register, simply email [training@sharescope.co.uk](mailto:training@sharescope.co.uk) and quote your **name** and/or **account number**. We'll also record this presentation and make it available on our website.

We would welcome your feedback on future training topics - please [email](#) our training team with your suggestions.

## Left-click column editing for Mac users

If you use ShareScope on a Mac via Parallels or some other emulation program, you might have encountered difficulties with context menus caused by the absence of a right mouse button.

Most of these problems can be bypassed by using the various menus at the top of the screen, however if you wish to edit the columns in a list there is no way to do this other than with a right-click. With this in mind we have introduced an alternative way to right-click on column headings in ShareScope.

To activate it, go to **Tools > Options... > Lists** and tick the **Enable left-click menu on column headings** option.

To open a column context menu, point your mouse at the column heading area of a list and left-click on it, keeping the button pressed for about one second.

## Results & Ratios – Multi-Year Averages

In many cases it is useful to analyse a particular performance metric over a multi-year period. For example, you might want to know the *average PE over the last three years* or the *percentage EPS change over a five year period*. Of course, you can add a column for each year but the **Calculated** options on the **Add Results** dialog enable you to condense this information into one column or item.

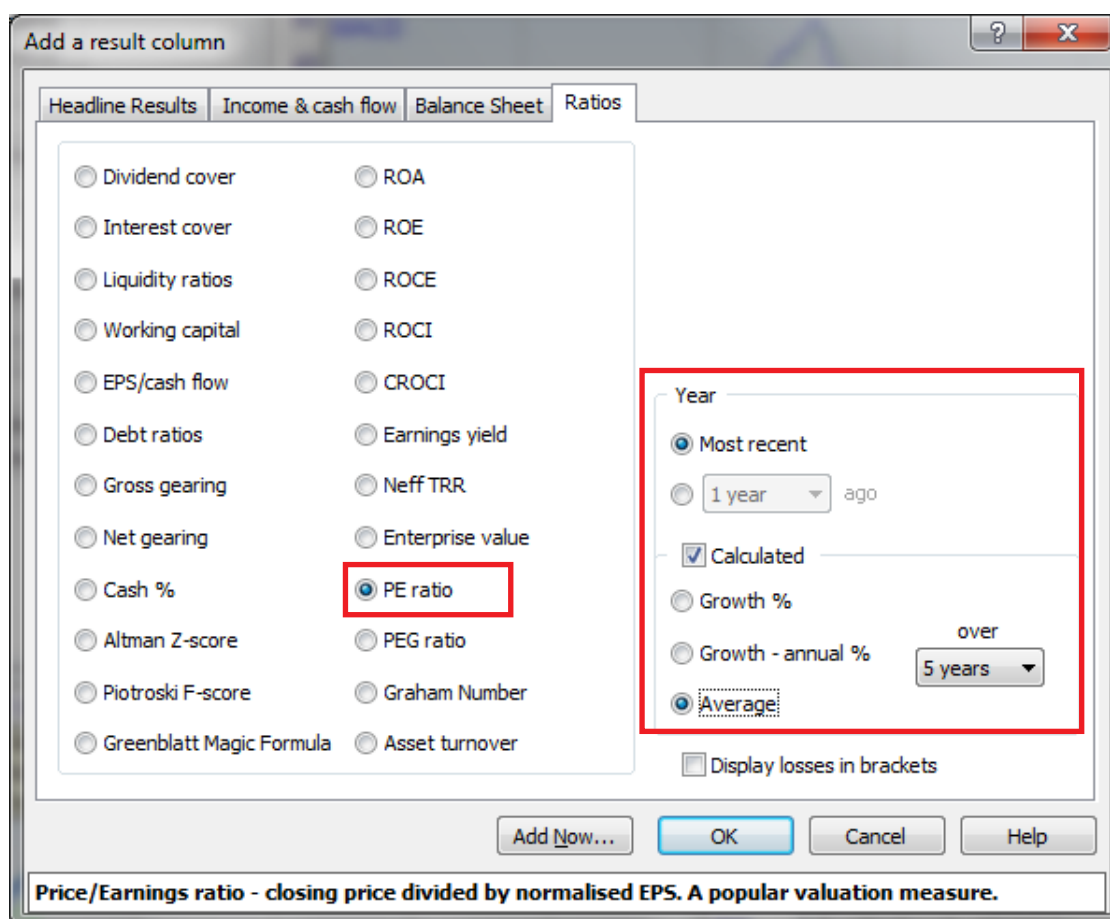
Look at the example **List** box on the right for an idea of what can be achieved. As well as the current value for a range of metrics you can also see the five year average – helping you to judge whether the stock is valued higher or lower than “average”.

PE	15.25
Forecast PE	14.64
PE 5y av.	15.40
Earn. Yield	6.56
Earn. Yield 5y av.	6.77
PEG	3.62
Forecast PEG	1.65
PEG 5y av.	1.35
Price to Turnover	2.91
Price to Turnover 5y av.	2.59
Price to NAV	10.88
Price to NAV 5y av.	8.99

The **Calculated** options are available when adding **Results** columns to a table or adding items to **List** boxes in the **Details** view.

There are three options:

- **Growth %**: the percentage change over the time period selected.
- **Growth - annual %**: the annualised percentage change over the time period selected.
- **Average**: the average value per year over the time period selected.



**Note:** The **Growth** options require the first and final years of the selected time period to be positive. If either year is negative, a percentage change will not be calculated.

### Additional settings and layouts *(ShareScope Plus & Pro only)*

You can now create up to 100 settings in each view. On the **Settings** menu (e.g. Graph settings), select **New setting** or **Copy this [setting] to...**

You can also create up to 100 window layouts. On the **Window** menu, select **Window layouts** then **New window layout**.

## PHIL'S HIDDEN GEMS



PHIL TOLHURST

You can now display the latest value for moving averages, indicators and their signal lines, channels and stop losses. These values will appear on the right-hand y-axis of your price or indicator charts. You can find these options on the **Advanced** tab of the **Graph design...** dialog.

Previously, a share could only be deleted from a portfolio whilst in the **Portfolio** view. This option is now available on the context menu in the Graph, Intraday graph and Details views (when the portfolio is the underlying list). Alternatively, press **SHIFT-CTRL-DEL** to delete the share whilst in these views. A confirmation dialog will be displayed before deleting the share.

Hold down the **CTRL** key when clicking on a layout button to display the same share in the new layout. The share needs to be present in the underlying list of the active window in the new layout. (*Plus & Pro only*)

You can now show a number of full days' future on intraday charts. You will need to have at least a two day intraday chart for this option to be available. Right-click in the graph and select **Show future > Show future settings....** (*ShareScope Plus & Pro only*)

## Dividend History

The **Dividend History** view enables you to view an unadjusted history of dividends for any share. This is particularly useful for checking the actual dividends paid by stocks which have since undergone splits or consolidations (as ShareScope adjusts the dividends accordingly). For each dividend, the following items of data are provided: year end date, period end date, type of dividend, declaration date, ex-div date, record date, payment date, currency, actual value and adjusted value (where applicable). To display the Dividend History view, press **SHIFT-D** from any view in which a share is selected.

Year End	Period End	Type	Declare	Ex Div	Record	Payment	Currency	Dividend p/s	Adjusted p/s
31/03/14	31/03/14	Q4	15/05/14	04/06/14	06/06/14	20/08/14	GBP	27.54	27.54
31/03/14	30/09/13	Q2	21/11/13	04/12/13	06/12/13	22/01/14	GBP	14.49	14.49
31/03/13	31/03/13	Q4	16/05/13	05/06/13	07/06/13	21/08/13	GBP	26.36	26.36
31/03/13	30/09/12	Q2	15/11/12	28/11/12	30/11/12	16/01/13	GBP	14.49	14.49
31/03/12	31/03/12	Q4	17/05/12	30/05/12	01/06/12	15/08/12	GBP	25.35	25.35
31/03/12	30/09/11	Q2	17/11/11	30/11/11	02/12/11	18/01/12	GBP	13.93	13.93
31/03/11	31/03/11	Q4	19/05/11	01/06/11	03/06/11	17/08/11	GBP	23.47	23.47
31/03/11	30/09/10	Q2	18/11/10	01/12/10	03/12/10	19/01/11	GBP	12.90	12.90
31/03/10	31/03/10	Q4	20/05/10	02/06/10	04/06/10	18/08/10	GBP	24.84	22.02
31/03/10	30/09/09	Q2	19/11/09	02/12/09	04/12/09	20/01/10	GBP	13.65	12.10
31/03/09	31/03/09	Q4	14/05/09	03/06/09	05/06/09	19/08/09	GBP	23.00	20.39
31/03/09	30/09/08	Q2	20/11/08	03/12/08	05/12/08	21/01/09	GBP	12.64	11.20
31/03/08	31/03/08	Q4	15/05/08	04/06/08	06/06/08	20/08/08	GBP	21.30	18.88
31/03/08	30/09/07	Q2	15/11/07	28/11/07	30/11/07	23/01/08	GBP	11.70	10.37
31/03/07	31/03/07	Q4	17/05/07	06/06/07	08/06/07	22/08/07	GBP	17.80	15.78
31/03/07	30/09/06	Q2	16/11/06	29/11/06	01/12/06	24/01/07	GBP	10.90	9.66
31/03/06	31/03/06	Q4	18/05/06	07/06/06	09/06/06	23/08/06	GBP	15.90	14.09
31/03/06	30/09/05	Q2	17/11/05	30/11/05	02/12/05	25/01/06	GBP	10.20	9.04
31/03/05	31/03/05	Q4	19/05/05	08/06/05	10/06/05	24/08/05	GBP	15.20	13.45

## Print layouts

You can now print an entire *ShareScope Plus* or *Pro* layout on a sheet of A4. Ideal if you want to share information with others (e.g. investment club) or customise a layout for creating printed reports (e.g. for clients). The printout will exclude extraneous details like window borders, scroll bars and close buttons. A high resolution image is saved to file in case you would prefer to import an image into a document. If you use ShareScope within a business, you can also import your company logo into a blank area of the layout. For more details, go to the **Help** menu, click on **What's New** and follow the link for **Print Layouts**.

Gold & Plus: 020 7749 8504 / 0845 045 0111 Pro: 020 7749 8503 / 0845 456 0545

The 0845 numbers should be cheaper if you are calling from outside London.

**Note:** we have a special offer for investment clubs. As long as one member of the club is an existing ShareScope member, we will waive the membership fee (£79.95) for other members of the club wishing to join.

**Note:** *ShareScope Pro should not be used on a professional basis. ShareScope Pro* contains real-time data for which the London Stock Exchange charges a higher fee in a professional investment, advisory or trading context. Please ask us about our professional product, [Alpha Terminal](#).

## Pairs Trading (ShareScope Plus & Pro only)

Pairs Trading involves taking opposite positions (long/short) on two closely correlated shares. The **Pairs** indicator enables you to directly compare the prices of two instruments in order to spot unusual deviations from their mean. Normally, two shares which are closely correlated (e.g. BP and Royal Dutch Shell) are used and deviations by the indicator from its normal range are looked for. At this point a long position is opened on the falling share and a short position is opened on the rising one, on the assumption that they will then return to their mean.

At the end of October 2013, after a long period of trading at a ratio of around 0.205, BP PLC and Royal Dutch Shell PLC deviated significantly pushing their ratio to around 0.225. Note how BP rose sharply and RDSB fell.



According to pairs trading theory, two shares with very similar trading patterns will tend to return to their mean after a significant deviation. Here, a pairs trader would short the rising share (BP) and go long the falling one (RDSB). Both positions would be closed once the ratio returned to its normal level. In this example, the pairs trade would have resulted in a profit of over 9% (6.44% + 2.89%).

Pairs trading tends to work fractally, meaning that the theory tends to hold true irrespective of the chosen time frame.

Right-click in a Graph view, select **Add Indicator** then **Pairs....** Click on the **Help** button in the dialog for guidance on the options presented.

## Keep window open

For a while now users of *ShareScope Plus* and *ShareScope Pro* have been able to float windows outside of the boundaries of the ShareScope program. This has given them far greater flexibility when opting to run ShareScope on multiple monitors. In *version 7.1.x*, we went one stage further and allowed to set a window to 'Keep window open'.

Windows that are just floated are still part of the layout you have selected. Change layout and the window will disappear. Switch back to the previous layout and the window will appear again.

Keep window open removes the connection between the floating window and the layout. So if you change layouts the window will be kept open. This can be useful, for example, if you want to float a chart of the FTSE 100 index and keep it on your secondary monitor at all times.

However, I'd like to explore another use for Keep window open that I can think of. Here, I'm running ShareScope on two monitors; they are actually different sizes. Being able float a window onto the left hand monitor is really useful - if I stretched ShareScope across the two screens it wouldn't work particularly well due to the differing resolution settings of the two screens.



I have gone one step further here. All of the windows on the right-hand monitor have been auto-linked so they are all showing details of whatever share I have selected in the floating window. However, the window on the left-hand monitor has been set to 'Keep window open'. This means that I can change to another layout with autolinked windows (see below) and the selected share will be maintained.



No.	Name	EPIC	Mid/Close	Mid/Close %	Intraday volume	Graph	Spread %	Trade value	Buy/sell bar	Trade value	Tick changes	Mid	High	Price to NAV
1	Advanced Computer Software PLC	ASW	£1.16x	1.19	180k		0.21	£74.52k		£54.15k	11.14%	£1.145x	£1.18x	3.275x
2	Ashford Group PLC	AHT	£9.15x	2.10	955k		0.05	£3.06m		£3.10m	10.36%	£9.36x	£9.18x	1.694x
3	Associated British Foods PLC	ABF	£30.90	2.11	265k		0.06	£2.41m		£2.91m	12.05%	£30.26x	£30.97x	3.913x
4	CVS Group PLC	CVSD	£3.15	-1.80	28k		2.94	£9.95x		£19.88x	191.1%	£3.11x	£3.24x	7.405x
5	Eckoh PLC	EOK	44p	-0.28	141k		2.27	£81.55k		44p	44p	44p	44p	6.679x
6	Energy Technique PLC	ETQ	£2.45	0	180		12.24	£415.00		£2.45	£2.45	£2.45	£2.45	3.972x
7	Eurofina Scientific SA	OMVS	£200.00	0	0		0	0		0	0	0	0	0
8	Fisher (James) & Sons PLC	FJS	£14.00x	0.04	5k		0.21	£31.03k		£24.20k	77.4%	£13.86x	£14.07x	3.834x
9	Gencore Group PLC	GVC	£2.76x	0.60	572k		0.04	£861.95k		£497.36k	57.7%	£2.74x	£2.80x	4.478x
10	GVC Holdings PLC	GVC	£4.37	0	54k		1.37	£61.96x		£27.48k	44.4%	£4.36x	£4.37x	2.252x
11	Hays PLC	HAS	£1.50x	2.04	1m		0.13	£354.38k		£595.84k	171.1%	£1.46x	£1.50x	9.521x
12	Henderson Opportunities Trust PLC	HOT	£9.27x	0.80	9k		1.56	£9.04x		£47.48k	525.3%	£9.21x	£9.30x	1.042x
13	Leroy Seafood Group ASA	DOMZ	£223.00	0	0		0	0		0	0	0	0	0
14	Lookers PLC	LOOK	£1.41	-0.27	797k		0.18	£933.51k		£99.64k	10.6%	£1.39x	£1.43x	2.412x
15	Next PLC	NXT	£65.30	-0.23	106k		0.15	£2.17m		£2.88m	132.3%	£64.92x	£65.57x	35.45x
16	Optimal Payments PLC	OPAY	£4.49	5.49	26k		0.26	£3.31m		£4.19m	124.6%	£4.19x	£4.49x	8.056x
17	Pace PLC	PC	£3.56x	0.37	505k		0.22	£469.61k		£1.21m	256.6%	£3.55x	£3.50x	3.365x
18	Pennant International Group PLC	PEN	91p	0.55	1k		5.46	0		£511.50	100.0%	91p	91p	3.871x
19	Restore PLC	RST	£1.81x	0	55k		0.55	£7.34x		£35.51k	483.5%	£1.81x	£1.81x	2.886x
20	Robinson PLC	RBN	£2.40	0	2k		4.17	0		£4.99x	203.8%	£2.40	£2.40	1.957x
21	Scape Group PLC	SCPA	£1.29x	-0.29	79k		2.89	£55.57x		£47.26k	85.0%	£1.27x	£1.32x	4.001x
22	Somero Enterprises, Inc	SOM	£1.32	0	1m		3.03	£806.37k		£1.32	£1.32	£1.32	£1.32	5.092x
23	Staffline Recruitment Group PLC	STAF	£9.00x	-0.25	10k		2.26	£13.49k		£11.51k	85.3%	£9.00x	£9.00x	5.067x
24	Traflet PLC	TRF	£1.27	0.99	19k		1.18	£2.93k		£1.26x	99.2%	£1.26x	£1.27x	1.927x
25	Whitbread PLC	WTB	£43.95x	0.13	164k		0.02	£2.86m		£2.52m	88.1%	£43.72x	£44.18x	4.924x

Windows kept open like this are given a thin green border and the X button for closing the window changes to a red X on a pink background (see left).

This is just one use I can think of for the new Keep window open option. I am sure we have members who will find all sorts of interesting uses for this feature.

## GM's COLUMN

I recommend that you have a good read through the **Help** pages for the fundamental data items we provide in ShareScope because not everything is provided on the default Details view. Search for **Adding results & ratios** in the **Help** facility.

In this issue of ShareScoop, I'm going to highlight a group of data values that can provide alternatives to the PE value.



As most of you will know:

$$PE = \text{share price (P)} / \text{normalised EPS (E)}$$

Instead of **EPS** (post-tax earnings), some investors prefer to look at **EBIT** (earnings before interest and tax) or **EBITDA** (earnings before interest, tax, depreciation and amortisation).

EBIT shows the profit of the business before financing costs and taxation. It is useful for evaluating firms before the effects of different capital structures and tax rates. It is often quoted that EBIT is the same as operating profit but this is not strictly true. Operating profit includes any profits/losses from investments - such as rental income or businesses in which the company has a stake. These are removed in order to arrive at EBIT. Of course, where there are no profits/losses from investments, operating profit and EBIT will be the same.

EBITDA goes one step further and adds back in the non-cash items of depreciation and amortisation. EBITDA is often used as an approximation for cash flow. EBITDA is calculated by removing *cost of sales* and *administrative expenses* from *turnover*.

Selecting the **Price to EBIT** or **Price to EBITDA** options will give you an alternative to the PE value. You can choose to use normalised values as well.

These alternatives change the E part of the PE ratio but we can also change the P.

**Enterprise value (EV)** is an alternative to *market capitalisation* which takes *debt* into account. In taking over a company, a buyer would have to take on its debts but would also gain its cash. Enterprise value treats *net debt* as an existing cost which will need to be paid. Using enterprise value in ratios provides a better comparison of companies with differing levels of debt.

It is calculated as:

$$\text{Enterprise value} = \text{Market capitalisation} + \text{debt and preference shares} - \text{cash and cash equivalents}$$

Enterprise value enables us to calculate two further alternatives to the PE ratio: **EV/EBITDA** and **EV/EBIT**. These may suit investors who prefer to compare companies before financing, taxation and non-cash effects.

Let's now look at **Earnings Yield**. This is the inverse of the PE ratio; it takes normalised EPS (E) and divides by the share price (P). Expressed as a percentage it enables comparison with bond yields and other types of investment.

In ShareScope, we also provide earnings yield calculated as **EBIT/EV** (a key component of the Greenblatt Magic Formula) and **EBITDA/EV** which is used by some as a measure of the cash return on an investment.

All of these options are available when you add a **Results** column in the List view, or add items to a **List** box or **Results** table in the **Details** view. As always, our [Customer Support](#) team can help you find and use these.

# RICH'S SCRIPTS



## Customising the Guru filters

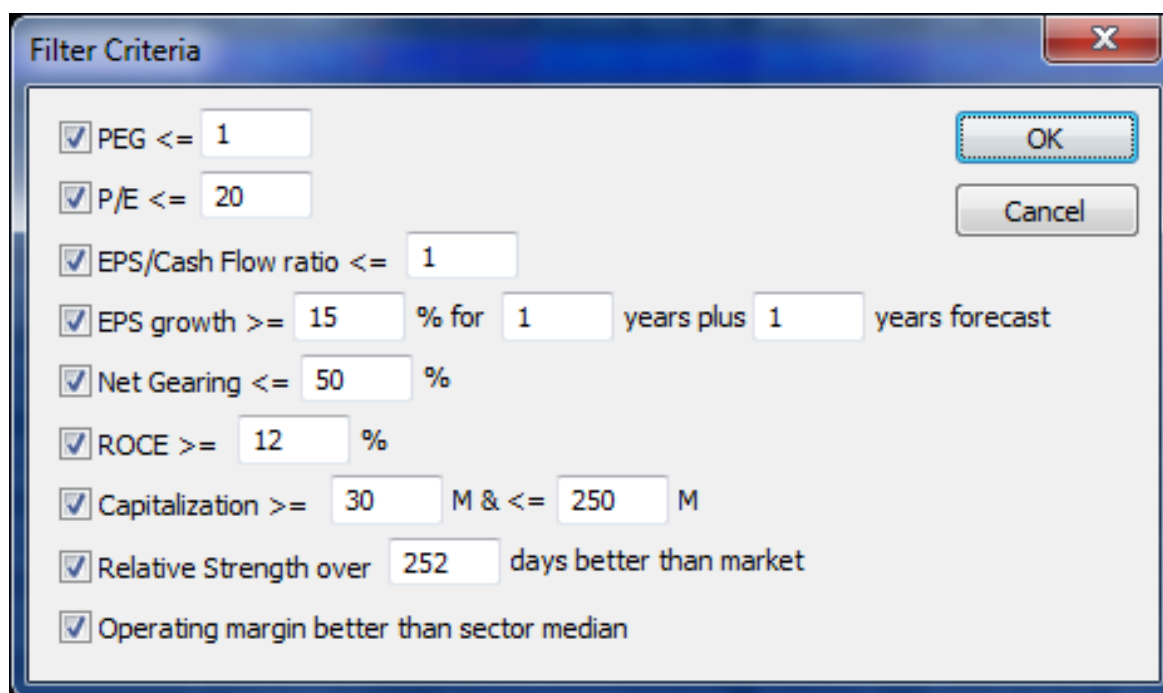
As you are probably aware, a few months ago we introduced a number of filters to Data Mining which applied the techniques of various investment gurus like Jim Slater and Warren Buffett. What you might not know, is that for each of those filters, there is a corresponding ShareScript which allows *ShareScope Plus* and *ShareScope Pro* customers a greater deal of customisation.

If you have run the filters at one point or another, you'll have noticed that they rarely return more than a handful of shares. This is because the filters, as designed by their various gurus, are extremely strict. If you run the script version, however, you'll be able to relax some of the criteria to obtain a longer list of results.

Let's look at the Jim Slater filter.

Open a list of shares you'd like to analyse (the full LSE Shares list would do just fine), right-click on the column heading area and select **Add ShareScript Column...** Press the **Script Library** button, search for the one called **Jim Slater's Zulu** and download it.

Once run the initial dialog will look like this:



The screenshot shows a 'Filter Criteria' dialog box with the following settings:

- PEG <= 1
- P/E <= 20
- EPS/Cash Flow ratio <= 1
- EPS growth >= 15 % for 1 years plus 1 years forecast
- Net Gearing <= 50 %
- ROCE >= 12 %
- Capitalization >= 30 M & <= 250 M
- Relative Strength over 252 days better than market
- Operating margin better than sector median

Buttons: OK, Cancel

Each tick-box represents a criterion used in the filter and a positive result (i.e. if the share's PEG is smaller or equal to 1) will add 1 to the share's score up to a maximum of 9. If you click on **OK** without making any changes the shares with a score of 9 in the column will be the ones that would appear in the results of the Data Mining filter.

One obvious advantage of using the script in a column is that you'll be able sort the list to see which shares have just missed the mark by scoring 7 or 8 out of 9.

Most criteria will have an editable input value, which will allow you to make that criterion more or less strict and, if you remove the tick from it, the script will ignore that criterion completely, so the maximum score will be reduced by one.

If you are interested in the teachings of the investment gurus we have showcased, downloading the corresponding [scripts](#) will open a whole new world of possibilities by putting you in full control of their filters. Have fun!