



Consensus Stocks: Passing the Most Screens

The First Cut is designed as a starting point for investors. Each issue we list the top stocks that pass relatively simple screens of interest to individual stock pickers. AAI's Stock Investor Pro screening software is used to generate the First Cut listing.

The First Cut this issue lists the stocks that passed the greatest number of screens tracked by AAI on the Stock Ideas section of AAI.com. This process is accomplished by examining the results of every screen and identifying stocks passing more than one strategy. As of June 15, 2018, 855 stocks passed at least one of the screens tracked by AAI, but only 22 stocks passed four or more screens and they are the stocks that made the First Cut this month. Note that some screens did not have any companies that passed at the time of the analysis.

The stocks in the table are first ranked by the number of screens passed and then by their 52-week relative price strength rank. The percentile rank shows how a particular company's price gain compares to all domestically traded companies. With price momentum, a higher relative strength percentage rank is usually desired.

The table lists the price-earnings ratio (price divided by trailing earnings per share) as a basic valuation measure. The annual earnings growth rate provides a simple historical indication of the bottom-line company performance over the last three years. The market cap (number of shares outstanding times the share price) is a common way to measure the size of a firm.

While you cannot automatically consider a group of consensus stocks to be a diversified portfolio, they may present a good First Cut for constructing your personal portfolio. Optimally, the group of screening approaches a stock passes is diverse enough to capture unique, yet desirable qualities. Further information on each of the screening strategies can be found at the Stock Ideas area of AAI.com. ▲

—John Bajkowski, AAI president

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Company (Ticker)	No. of Screens Passed	Screens Passed	EPS Growth		Market Cap (\$ mil)	Rel Strgth Rank (52-Wk) (%)	Share Price (6/15) (\$)	Industry
			P/E Ratio (X)	Rate (3-Yr) (%)				
ArcBest Corp. (ARCB)	6	Est Rev Up 5%, Kirkpatrick (Growth & Val), Lakonishok, P/E Rel, PEG (Hist Gr)	25.5	(7.8)	1,235	95	48.10	Trucking
Ulta Beauty Inc. (ULTA)	6	Buffett (Hagstrom), InveStWare, P/E Rel, PEG (Hist Gr), ROE, Templeton	24.2	34.0	14,896	24	247.88	Retail (Specialty Non-Apparel)
The Ensign Group (ENSG)	5	Kirkpatrick (Bargain, Growth & Val), O'Shaughnessy (Grth & Sm Cap)	31.1	2.6	1,944	90	37.86	Health Care Facilities
Lear Corporation (LEA)	5	Buffett (Hagstrom, EPS & SG), Neff, PEG (Est Gr)	11.4	27.0	13,364	79	202.52	Auto & Truck Parts
NVR, Inc. (NVR)	5	Buffett (Hagstrom, EPS & SG), InveStWare, ROE	20.5	30.6	11,246	74	3,182.39	Construction Services
Ingredion Inc. (INGR)	5	Dual Cash Flow, Div (Yield Rel), Dreman (Est Rev), P/E Rel, Weiss	15.1	15.9	8,127	38	114.84	Food Processing
HollyFrontier Corp. (HFC)	4	Dreman, Kirkpatrick (Bargain, Growth & Val)	15.9	25.1	12,896	97	72.30	Oil & Gas Operations
Boot Barn Holdings (BOOT)	4	O'Shaughnessy (Grth & Sm Cap), PEG (Est & Hist Gr)	28.6	14.0	625	97	22.64	Retail (Apparel)
RH (RH)	4	Est Rev Up 5%, Kirkpatrick (Bargain & Growth), O'Shaughnessy (Grth)	100.1	(47.7)	3,352	97	160.87	Retail (Specialty Non-Apparel)
Vince Holding Corp. (VNCE)	4	Dual Cash Flow, Magic Formula, O'Shaughnessy (Grth & Tiny Titans)	na	(32.6)	159	97	14.90	Retail (Apparel)
Valeant Pharmaceuticals Intl (VRX)	4	P/Free Cash Flow, Kirkpatrick (Bargain), Lakonishok, O'Shaughnessy (Grth)	na	16.3	9,370	94	26.86	Biotechnology & Drugs
Systemax Inc. (SYX)	4	Kirkpatrick (Bargain), Lakonishok, O'Shaughnessy (Grth & Sm Cap)	15.0	69.0	1,368	93	37.80	Retail (Catalog & Mail)
Micron Technology, Inc. (MU)	4	Dual Cash Flow, Dreman (Est Rev), Magic Formula, Rule #1	7.0	20.2	69,644	91	58.23	Semiconductors
Lands' End, Inc. (LE)	4	Kirkpatrick (Val), Lakonishok, O'Shaughnessy (Grth & Sm Cap)	244.2	(26.4)	903	90	27.85	Retail (Catalog & Mail)
Reliance Steel & Aluminum (RS)	4	Div (Yield Rel), Dreman (Est Rev), Graham (Def-Ind), P/E Rel	14.9	5.3	6,855	75	94.00	Misc. Fabricated Prods
D.R. Horton Inc. (DHI)	4	Buffett (EPS & SG), Dreman (Est Rev), P/E Rel	13.1	23.5	16,244	72	42.84	Construction Services
Genesee & Wyoming (GWR)	4	Dual Cash Flow, Lakonishok, P/E Rel, P/Sales	22.7	(14.7)	4,865	68	81.93	Railroads
NextEra Energy Inc. (NEE)	4	Dreman, Dreman (Est Rev), P/E Rel, Templeton	12.9	9.8	74,082	59	159.54	Electric Utilities
Monster Beverage (MNST)	4	Buffett (Hagstrom), InveStWare, P/E Rel, Templeton	36.1	17.4	31,567	56	56.43	Beverages (Non-Alcoholic)
Snap-on Incorporated (SNA)	4	Buffett (Hagstrom), Div (Yield Rel), Graham (Def-Ind), Templeton	16.0	10.5	8,970	48	161.17	Appliances & Tools
Entravision Communication (EVC)	4	P/Free Cash Flow, Fund'l Rule of Thumb, Graham (Enterprising), Magic Formula	2.7	80.8	404	18	4.50	Broadcasting & Cable TV
Acuity Brands, Inc. (AYI)	4	Buffett (EPS & SG), Graham (Def-Ind), Templeton	16.7	22.4	5,068	16	122.21	Furniture & Fixtures

Source: AAI's Stock Investor Pro, Thomson Reuters, and I/B/E/S. Data as of 6/15/2018.