

# StoCoTo.com – Performance Overview

## Four Histograms that Provide a Performance Overview of a Set of Stocks

The STOcK COmparison TOol has a set of graphs that shows the current performance of an index or sector. These are based on price change, trade volume, volatility and trade value. They are the essential parameters that indicate the current result and trade activity.

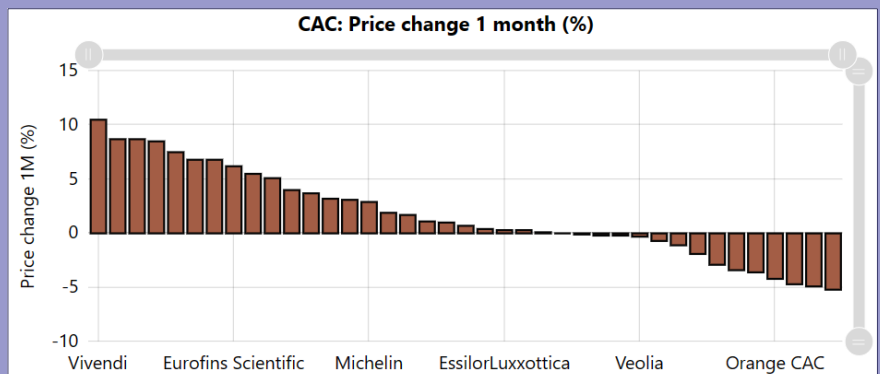
The performance insights section allows the trader to quickly compare the different stocks in an index or sector. Based on their own interests, a pre-selection of stocks can be made. Shares of interest can be analyzed further using the graphs in the different sections. Because they are histograms with a single parameter and are ordered from large to small it is straightforward to identify the stocks on the outer ends and obtain an impression of an 'average' value.

## Price Change

The price change is the relative price increase or decrease (%) compared to 30 days ago. The index or sector of interest shows the performance, while all the stocks included in StoCoTo are used as a reference. Because a percentage change is used, the currency of the stock does not matter and can be compared within a sector.

One feature of this comparison is the visualization of the distribution of price changes. This shows that often there is no average, but a wide variety in price changes, but it acts as a reference what an 'average' price change is over the last month.

X-axis: Company (Sorted)  
Y-axis: Price change (%)

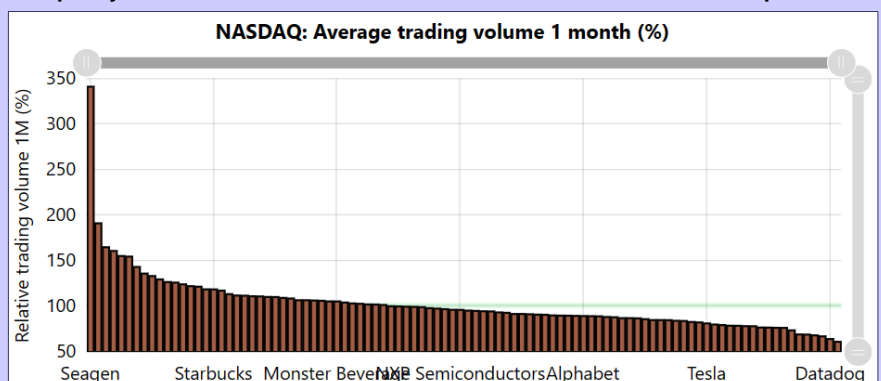


## Trade Volume

The volume of trading within a stock market or sector provides an indication of its activity. An often made assumption is that high or low activity is a signal for a price change to happen. The volume is shown in number of traded shares over the last 30 days.

A limitation is that the volume is not directly comparable as there is a different price per share and different amount of shares per company. As an alternative, the 'trade value' is developed.

X-axis: Company (sorted)  
Y-axis: Relative trade volume (%)  
Green reference line indicates the average yearly volume of 100%

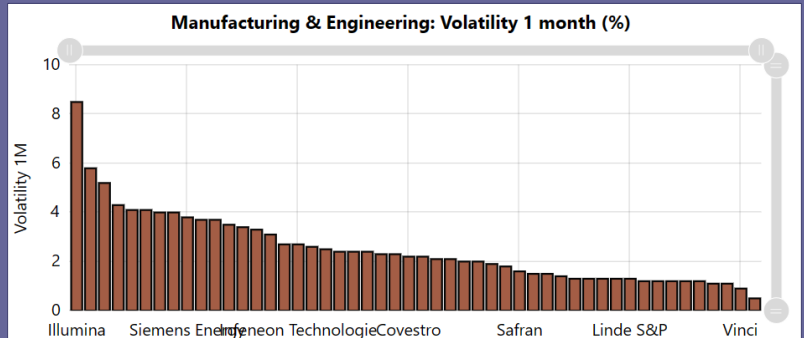


## Price Volatility

Volatility represents the level of price change in the last thirty days. In general, a higher volatility is associated with higher risk. This is not necessarily the case, as prices can move up/down or fluctuate around a point. Therefore, a better assumption is that a stock that is more volatile could be an opportunity, but carries a higher risk.

Because volatility is relative to price, the different stocks can be compared and an 'average' of an index or sector can be determined. More interestingly, the most volatile ones can be selected directly.

X-axis: Company (sorted)  
Y-axis: Volatility

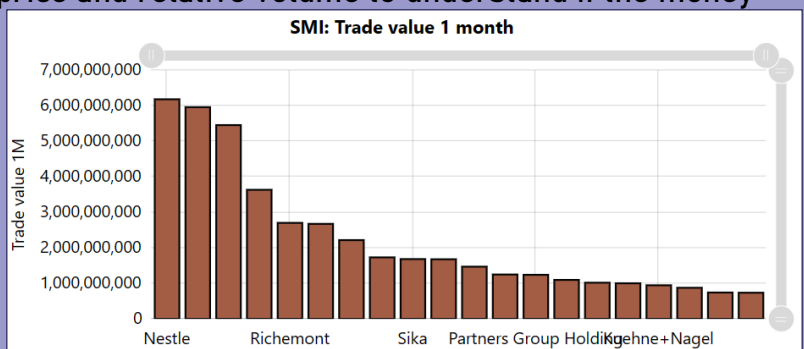


## Trade Value

The trade value is also known as the money flow. This is the volume\*price and is a better representation of trade activity as it shows the amount of money that is used to buy/sell shares instead of the number of shares.

The principle is that stocks with more money committed to trading provide an opportunity. This should be enhanced by combining it with price and relative volume to understand if the money flow has caused a price change.

X-axis: Company (sorted)  
Y-axis: Trade value (volume\*price)



## Developing a Trading Strategy

To be successful in trading, a strategy needs to be developed. This involves more steps than directly applying the insights from these four histograms that provide performance insights. A first step is to understand the theory behind these graphs and how they are intended to be applied. Helpful are 'The Big Manual' and the articles on the technical indicators.

The four graphs indicate the current performance and trading activity for the stock in an index or sector, but do not provide a prediction of the future. A trading strategy works better when the trader is able to select the best ones from the identified opportunities. Extending this with an honest evaluation of which buying or selling opportunities are expected to result in profitable trades.

The stock market is unpredictable and all indicators shown in the webtool Stocoto.com are based on past behavior in price and volume.



Stocoto.com provides a tool to obtain more insights into stock performance, opportunity and risk. Stocoto.com does not give advice. It is recommended to use additional resources to make informed decisions. It is the decision of the user to buy or sell a stock. The price of a stock can increase or decrease.