The Best Stock and Options Screeners on the Web

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The Best Stock and Options Screeners on the Web

By Jim Fink (bio at end)
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How does one pick stocks (including ETFs) and options to trade? If you are like me, you are also somewhat of a "do-it-yourselfer" and enjoy getting down and dirty investigating and analyzing potential investment ideas of your own.

There are two main ways to pick stocks: (1) top-down, where you start by analyzing macroeconomic themes and then zero in on individual stocks that fit those themes; and (2) bottom-up, where you focus on analyzing individual companies and select a portfolio of stocks based solely on their individual business performance without regard to their industry sector.

Top-down investing requires the mind of a philosopher, economist, scholar, and industry expert. It is best left to professionals who have the time to see the big picture and forecast the future. But, bottom-up investing is more manageable, especially if you have isolated a fixed set of fundamental and technical criteria that you can screen for over a universe of stocks.

This segues beautifully into today's topic: the best stock and option screening tools on the web that are FREE.

Please note: some of these "free" websites offer limited-use access and/or require email registration, so there is some effort involved. You get what you pay for!

BW: Some of the websites listed below are strictly for U.S. stocks. Others show both U.S. and Canadian.

1. Best Stock Screener

My choice for best general stock screener is Finviz.com. It has got a tremendous number of data fields that you can select for filtering, ranging from descriptive (e.g., market cap, industry sector) to fundamental (e.g., PE ratio, return on equity) to technical (e.g., crossing above 50-day moving average, head and shoulders pattern). If my employer did not provide me access to a Bloomberg terminal, Finviz would be my first stop in stock screening.

2. Best Earnings Screener

Chicago-based Zacks Investment Research believes in the predictive power of a company's earnings momentum. Specifically, a company's stock has a tendency to rise after reporting earnings that are higher than analyst estimates, as well as after analysts raise their earnings estimates for an upcoming quarter. If you agree, then you will love Zacks.com's stock screens for earnings surprises and earnings revisions.

3. Best Mutual Fund Screener

Morningstar is no surprise here. It is not as good as Morningstar's premium fund screener (duh), but it provides access to Morningstar's five-star rating system, as well as expense ratios, equity style, and management tenure. Not bad, and the price is right.

4. Best ETF Screener

Etfdb.com is the winner. Its database is comprehensive with 2212 ETFs. You can sort the entire ETF database by a number of data fields, including expense ratio, market return, beta, and dividend yield. I can't stress enough the importance of the sort function. Without that, it wouldn't be nearly half as useful. With one click, I discover that the ETF with the highest dividend yield is **the InfraCap MLP ETF** (AMZA) at 22.44% and the blockchain ETF with the largest amount of assets under management is the **Amplify Transformational Data Sharing ETF** (NYSE: BLOK) at $129.5 million.

5. Best Seasonality Screener

It's hard to find a free tool on the web that tells you which stocks perform best during particular months of the year. In fact, I am aware of only two, so they win: equityclock.com (BW: published on eResearch) and paststat.com. Unfortunately, even these tools don't give you a ready-made list of best-performing stocks in a given month; you must input your own individual stock symbols and see how they have performed in each month of the year. Better than nothing, and if you input enough tickers, you are bound to find one that performs well in the upcoming month. For example, through trial and error, I have discovered that **McDonald's** (NYSE: MCD) performs best in the month of November and **Unilever plc** (NYSE: UL) performs best in December.

6. Best Popularity-Contest Screener

Motley Fool CAPS rates stocks on a 1-5 scale based on the "outperform" and "underperform" votes of its 69,000 players. The more players that vote a stock "outperform," the higher the stock's rating and vice versa. Popular stocks sometimes do well in momentum-driven bull markets, but usually get slaughtered in choppy or bear markets. Consequently, I don't think rating stocks by popularity contest has any value over a full market cycle, so I ignore the CAPS stock ratings. But the CAPS screener lets you dig deeper and focus only on the "all-star" voters - those people whose stock picks have outperformed at least 80% of the other players - and I like to see what stocks these all-stars have given "thumbs up" to.

7. Best Mechanical Investing Screener

Sometimes it's better to rely on proven stock-screening strategies and not try to reinvent the wheel. Meetinvest.com offers 12 stock screens based on the investment strategies of famous academics and money managers that have market-beating back-tested results. Just click on "Run Strategies" and "Create New Basket" to get daily or weekly emails with lists of the stocks that currently satisfy the screening criteria of each investment strategy.

In addition, weekly posts by rebel2011 (screen definitions) (Value Line data fields) and Bill2m (screen definitions) (AAII Stock Investor Pro data fields) provide you with several weekly stock screens that have been back-tested and proven to perform well - *if* you buy *all* of the top ten stocks in the screen. No cherry-picking allowed, because that would negate the screens' back-tested performance numbers. Value Line screens focus on large-cap stocks and the AAII SIPro screens focus on smaller-cap stocks. Backtest.org and gtr1.backtest.org/2013 provide back-tested performance results for the Value Line and AAII SIPro screens, respectively.

8. Best Dividend Screener

Dripinvesting.org is not really a screener, but it provides a monthly updated list of stocks that have increased their annual dividends for at least 25 consecutive years. In these uncertain times, dividend consistency is reassuring. (BW: Has Canadian dividend stocks, too.)

9. Best Value Stock Screener

A value stock screen based on academic research sounds good to me, so I like to check out the Value 40 screen developed at the University of Michigan business school. Large-cap stocks that make the grade right now include Dick's Sporting Goods (NYSE: DKS), Walgreens Boots Alliance (NYSE: WBA), and ConocoPhillips (NYSE: COP). I also like a small-cap value screen that uses data points that make sense to me (e.g., high insider ownership, strong returns on invested capital).

10. Best Closed-End Fund Screener

Cefconnect.com has a screener for closed-end funds (CEF) that is similar to etfdb.com's ETF screener. You start with a list of its entire CEF database of 514 names. Then you can sort by data fields such as premium/discount (very important) and distribution rate. When you click on a CEF of interest, it takes you to a page that lets you compare the annual price performance of that CEF against the performance of a relevant peer group. Useful stuff.

11. Best Option Screener

Since I am an options fanatic who writes two option newsletters, *Options for Income* and *Velocity Trader*, I save the best for last with some options screeners.

Truth be told, option trading is so lucrative that the really useful option analytical tools are never free and well worth spending money for. For example, both of my option newsletters offer a proprietary seasonality screener that provides ten years of trading history between a start date that you choose and end dates equal to the next six option expirations. Nobody else has this seasonality tool and my subscribers swear by it. In fact, the seasonality screener is a free add-on service provided to all of my paid subscribers.

Back to the "just okay" free stuff . . .

BarChart lets you filter options by trading volume, days until expiration, amount of open interest, and closeness of the strike price to the current stock price (i.e., moneyness). One can also look at some pre-set screens of "unusual option activity" (larger-than-normal filled orders), high implied volatility (i.e., good candidates for selling), large percentage change in implied volatility, and large changes in open interest (signifying new opening positions rather than closes of prior positions).

The Chicago Board Options Exchange website, CBOE.com, offers a "Volatility Finder" that lists pre-set option scans using option data from the TradingBlock brokerage, which allows you to find stocks with the highest and lowest implied-volatility options, as well as which stock options have the fastest-changing implied volatilities both up and down.

The CBOE also borrows two tools from the subscription-based ivolatility.com website: (1) an option pricing calculator and (2) an implied volatility ranker that lets you enter any ticker symbol and see where its options' current implied volatility stands in relation to its 52-week range of implied volatilities.

The Options Industry Council website, optionseducation.org, also offers the same ivolatility.com tools, along with an "option strategy builder" that suggests specific covered call and naked put trades for any ticker symbol you input. These are boring, low-return option strategies to be sure, but still better than nothing.

Optionistics has a "strike pegger" application that calculates the strike price that generates "max pain" for options owners in a given expiration month. Studies have shown that stocks tend to get "pinned" at the strike price where the most options contracts expire worthless.

McMillan Analysis Corp. offers a "probability of expiration" calculator, as well as implied-volatility data on most stocks, including 52-week high/low percentiles.

Option trading is fun and profitable, so I would consider getting started, the sooner the better!

If you want to benefit from my trading experience TODAY, then I suggest you view the latest presentation on my premium investment advisory, *Velocity Trader*.

By using my breakthrough system called the *Velocity Profit Multiplier,* I am leveraging stock moves as small as 1% into triple-digit gains. I have decided to share the secrets of my system, but availability is limited. Click here for our free presentation.

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See About the Analyst below

About the Analyst

Jim Fink is chief investment strategist for *Jim Fink's Options for Income* and *Velocity Trader*. He has traded options for more than 20 years and generated personal profits of more than $5 million. Jim also serves as an investment analyst at Investing Daily's flagship investing publication, *Personal Finance*.

Hopelessly overeducated, Jim holds a bachelor's degree from Yale University, a master's degree from Harvard's Kennedy School of Government, a law degree from Columbia University, and an MBA from the University of Virginia's Darden School of Business. For good measure, he has been a member of the Illinois and D.C. bars and is a CFA charterholder.

Prior to joining Investing Daily, and when not incurring student loans hiding out in academe, Jim practiced telecommunications regulatory law for nine years until he realized that he made more money trading stock options than writing briefs. After attending business school, Jim switched gears to the investment realm full-time, working for a university endowment, a private wealth management firm, an insurance and financial planning company, and as a Senior Analyst for an online investment newsletter service that encourages the wearing of funny hats.

A possible but unlikely descendant of legendary brawler and boatman Mike Fink, Jim defies his heritage, believing that investing success requires patience and analysis, not swashbuckling bravado. Besides his passion for analyzing and writing about stocks, Jim likes to hike in the desert Southwest, vacation in Las Vegas, play tennis, and feed his toddler son Cheerios.