



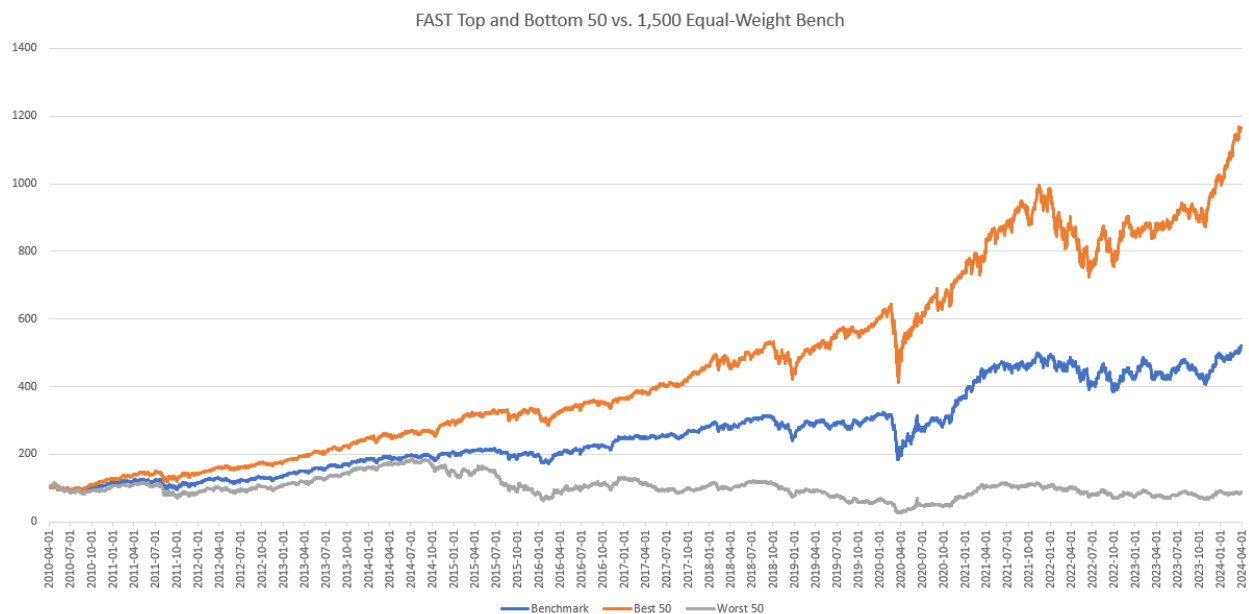
Earnings Quality (Still) Matters

I did not update the real-time performance chart for *the Forensic Accounting Stock Tracker (FAST)* last week for subscribers to *Max Profits* and *Microcap Millions*.

I have posted the updated chart below.

The most obvious conclusion I come to by looking at the chart is that earnings quality *still* matters.

The "A" rated stocks scored from my methodology vastly outperformed the S&P 500 and, more importantly, the "F" rated stocks.



Most recently, even as the S&P 500 has been dominated by just a handful of stocks (AKA “The Magnificent Seven”), which makes it difficult to outperform the index, the spread between the “best” stocks in my model and the S&P 500 has *widened*.

Meanwhile, the “F” ranked stocks remain dogs with fleas.

I point this out not to pat myself on the back but because doing fundamental work can still generate outperformance with less risk.

Earnings quality metrics are used in all the stock-picking models I present in the various newsletters I produce through Dent.

I’m often asked if earnings quality still matters because we are far removed from the frauds of Enron and Tyco, and the regulatory environment should help prevent such wide-scale manipulation of the numbers.

However, if someone wants to cheat here or there to buy a penny of earnings or commit outright fraud, there’s no stopping them.

Regulations don’t matter.

Human nature never changes.

Greed will always exist in the markets.

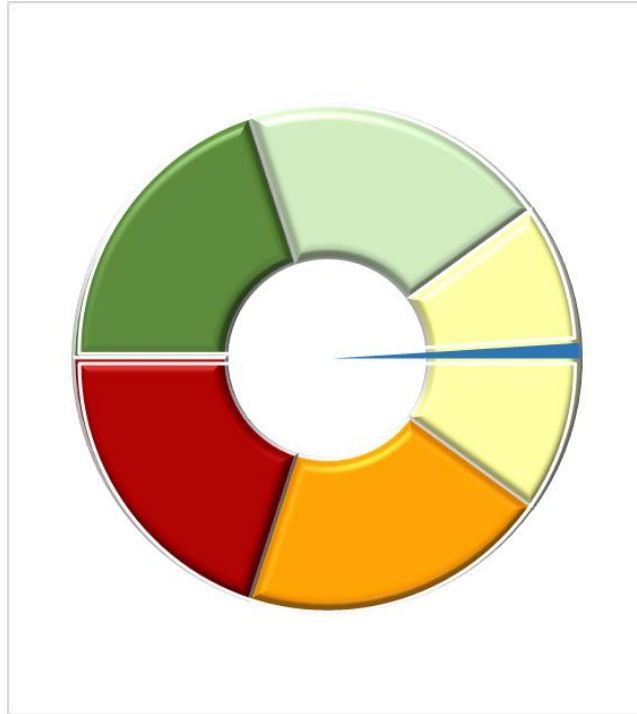
Having a methodology to separate the wheat from the chaff in the market will help investors greatly.

The challenge is to *use* that methodology.

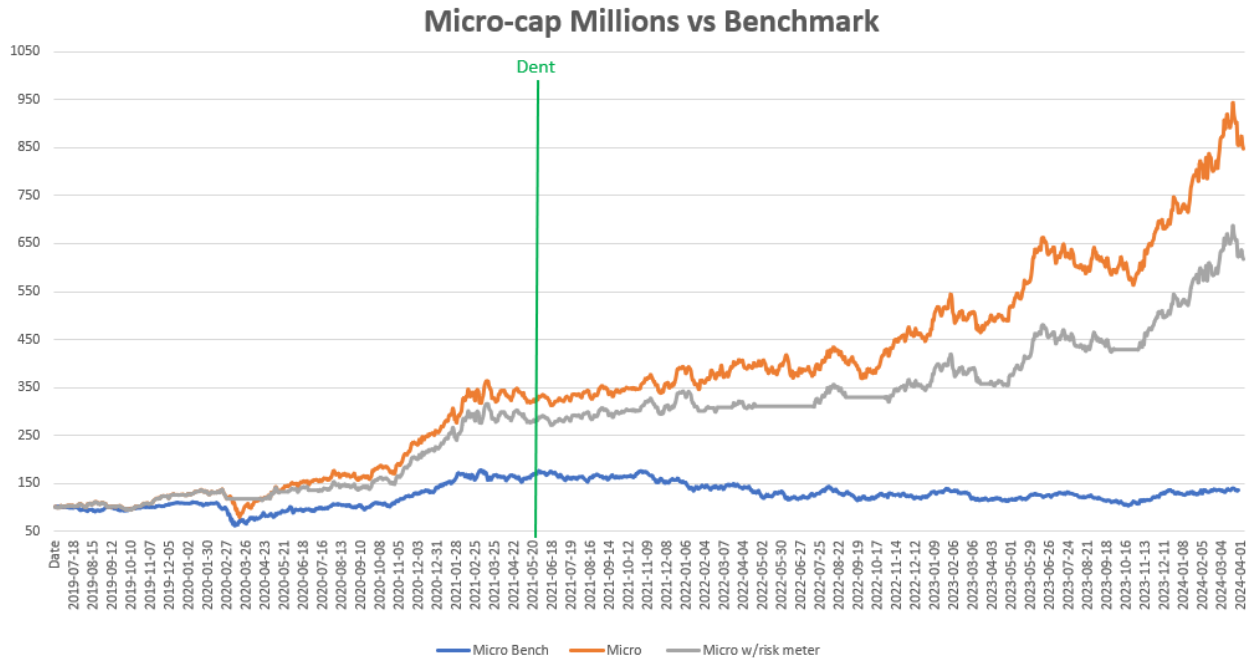
The Risk-O-Meter remains unchanged.

However, the market is overbought here with too much bullish sentiment.

As a result, I continue to be patient.



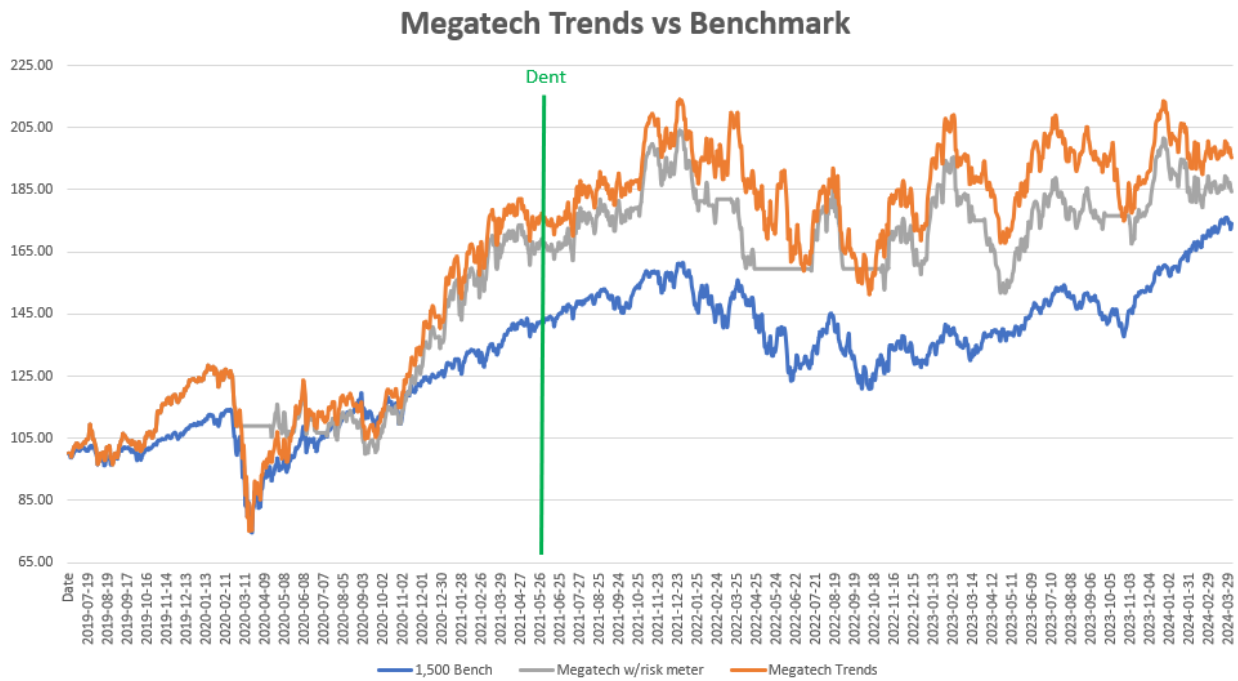
Micro-Cap Millions



There are no trades this week. Here is the current portfolio:

Ticker	Name	Return	Days Held	Sector
BWAY	Brainsway Ltd.	-7.62%	18	Healthcare
CLMB	Climb Global Solutions, Inc.	18.43%	53	Technology
CRNT	Ceragon Networks Ltd.	11.93%	39	Technology
CXDO	Crexendo, Inc.	9.98%	4	Technology
DDI	DoubleDown Interactive Co., Ltd.	-27.51%	45	Technology
DHX	DHI Group, Inc.	-6.27%	4	Technology
DSP	Viant Technology, Inc.	117.93%	158	Technology
DTST	Data Storage Corp.	117.91%	228	Technology
ELMD	Electromed, Inc.	11.86%	45	Healthcare
ITRN	Ituran Location & Control Ltd.	17.56%	305	Telecommunications

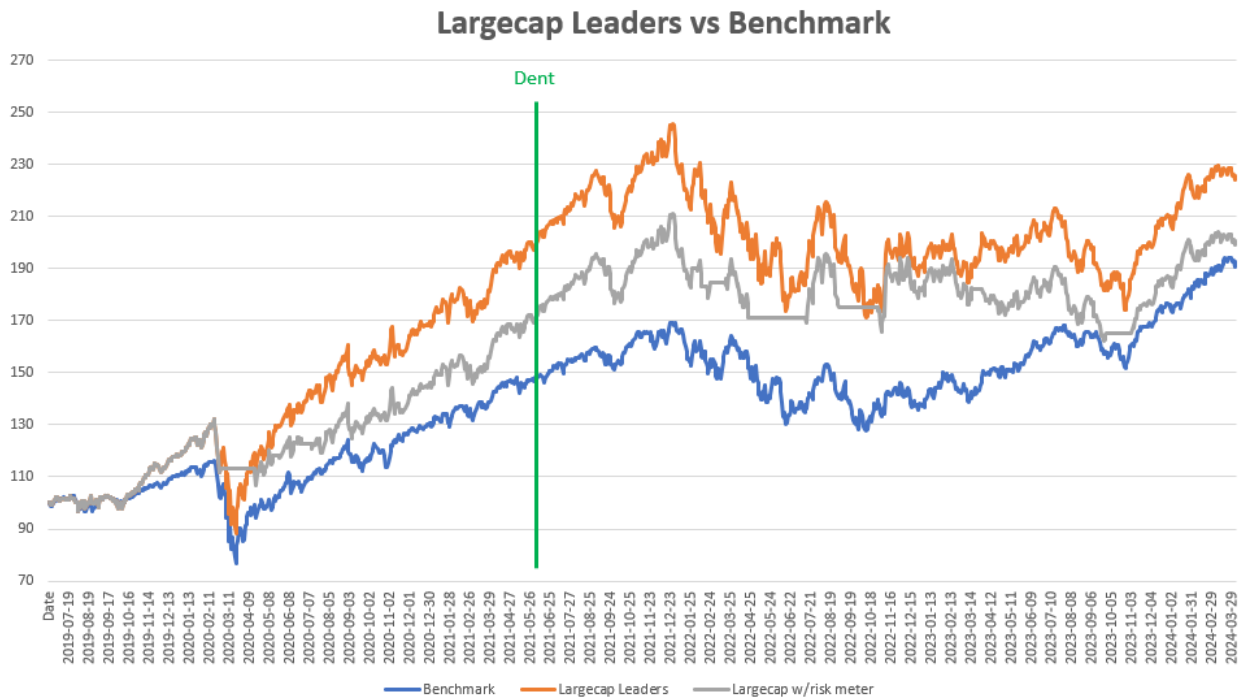
Mega-Tech Trends



There are no trades this week. Here is the current portfolio:

Ticker	Name	Return	Days Held	Sector
BMJ	Bristol Myers Squibb Co.	2.41%	74	Healthcare
COLL	Collegium Pharmaceutical, Inc.	21.22%	74	Healthcare
DBX	Dropbox, Inc.	-7.22%	45	Technology
DXC	DXC Technology Co.	-5.58%	60	Technology
OSUR	OraSure Technologies, Inc.	-21.48%	67	Healthcare
SCSC	ScanSource, Inc.	4.63%	67	Technology
SWKS	Skyworks Solutions, Inc.	0.85%	67	Technology
TDC	Teradata Corp.	0.71%	18	Technology
XRJ	Xerox Holdings Corp.	-9.29%	67	Technology
YELP	Yelp, Inc.	-9.30%	60	Technology

Large Cap Leaders



There are no trades this week. Here is the current portfolio:

Ticker	Name	Return	Days Held	Sector
AKAM	Akamai Technologies, Inc.	-2.51%	11	Technology
AMAT	Applied Materials, Inc.	23.76%	74	Technology
APH	Amphenol Corp.	48.00%	158	Technology
BMJ	Bristol Myers Squibb Co.	3.26%	67	Healthcare
CHTR	Charter Communications, Inc.	-29.06%	67	Telecommunications
CMCSA	Comcast Corp.	-5.65%	74	Telecommunications
CTSH	Cognizant Technology Solutions Corp.	-2.95%	4	Technology
FFIV	F5, Inc.	6.85%	74	Technology
HPE	Hewlett Packard Enterprise Co.	3.63%	11	Technology
MSFT	Microsoft Corp.	34.23%	193	Technology

DISCLAIMER:

THIS COMMUNICATION IS FOR EDUCATIONAL AND INFORMATION PURPOSES AND DOES NOT CONSTITUTE INVESTMENT ADVICE. Any Publishing Service offered by HSD Publishing is for educational and informational purposes only and **should NOT be construed as a securities-related offer of solicitation or be relied upon as personalized investment advice.** HSD Publishing strongly recommends that you consult a licensed or registered professional before making any investment decision.

THE RESULTS PRESENTED ARE NOT TYPICAL OR VERIFIED. HSD Publishing has not verified information regarding the historical trading performance presented. Subscribers' trading results have **NOT been tracked or verified**, past performance is not necessarily indicative of future results, **and the results presented in this communication are NOT TYPICAL.** Actual results will vary widely given various factors, such as experience, skill, risk mitigation practices, market dynamics, and the amount of capital deployed. Investing in securities is speculative and carries a high risk; you may lose some, all, or possibly more than your original investment.

HS DENT IS NOT AN INVESTMENT ADVISOR NOR A REGISTERED BROKER. Neither HSD Publishing nor its owners or employees is registered as a securities broker-dealer, broker, investment advisor (IA), or I.A. representative with the U.S. Securities and Exchange Commission, state securities or regulatory authority, or self-regulatory organization.

WE MAY HOLD THE SECURITIES DISCUSSED. HSD Publishing has not been paid directly or indirectly by the issuer of any security mentioned in the Services. However, HS Dent, its owners, and its employees may purchase, sell, or hold long or short positions in securities of the companies mentioned in this and future communications.

John Del Vecchio is not an employee or partner of HSD Publishing. HSD Publishing serves solely as the marketing arm for John Del Vecchio and Unbounded Wealth: Max Profits.

© 2024 HSD PUBLISHING. ALL RIGHTS RESERVED. 15016 Mountain Creek Trail Frisco, TX 77573.