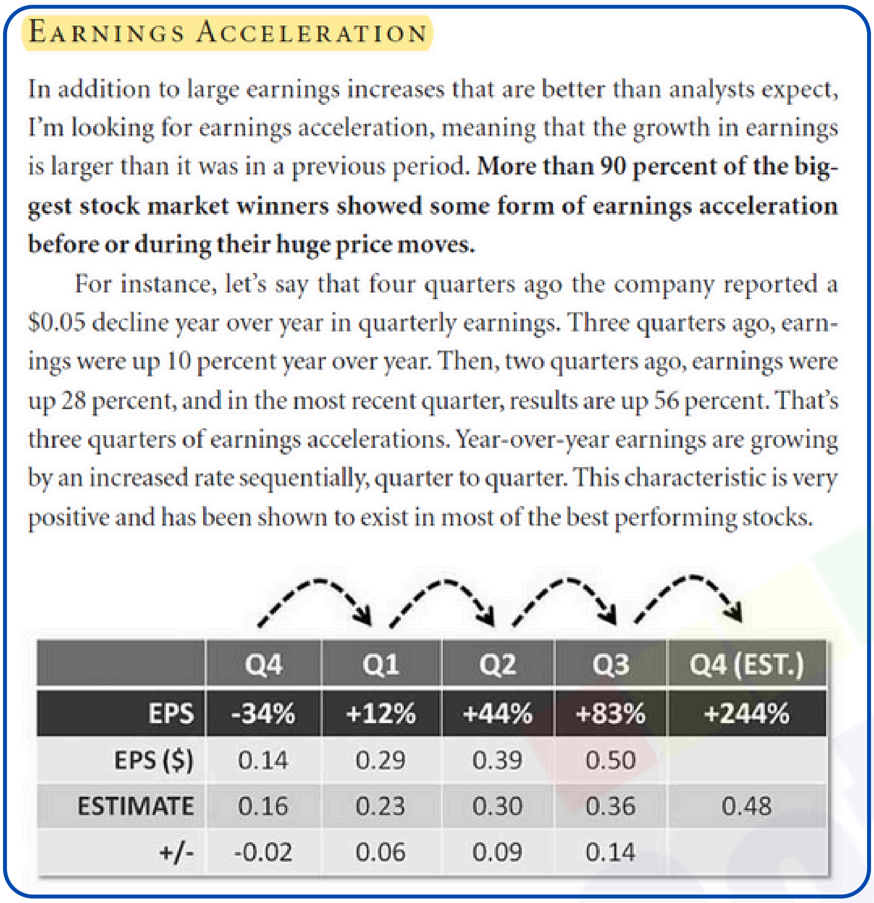
Sales, Earnings & Margin Acceleration



Earnings Acceleration

In addition to large earnings increases that are better than analysts expect, I'm looking for earnings acceleration, meaning that the growth in earnings is larger than it was in a previous period. **More than 90 percent of the biggest stock market winners showed some form of earnings acceleration before or during their huge price moves.**

For instance, let's say that four quarters ago the company reported a $0.05 decline year over year in quarterly earnings. Three quarters ago, earnings were up 10 percent year over year. Then, two quarters ago, earnings were up 28 percent, and in the most recent quarter, results are up 56 percent. That's three quarters of earnings accelerations. Year-over-year earnings are growing by an increased rate sequentially, quarter to quarter. This characteristic is very positive and has been shown to exist in most of the best performing stocks.

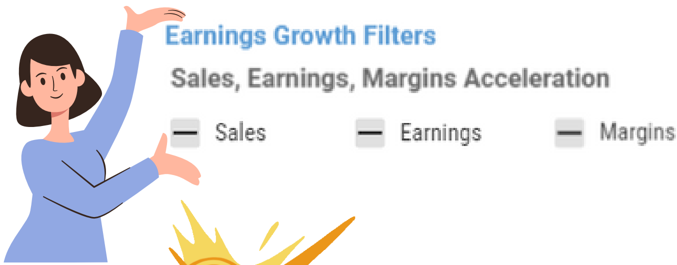
	Q4	Q1	Q2	Q3	Q4 (EST.)
EPS	-34%	+12%	+44%	+83%	+244%
EPS ($)	0.14	0.29	0.39	0.50	
ESTIMATE	0.16	0.23	0.30	0.36	0.48
+/-	-0.02	0.06	0.09	0.14	

The concept of **Earnings Acceleration** is taken from the book '***Trade like a Stock Market Wizard***' by Mark Minervini.

Here, we are comparing the ***year-on-year growth rates*** of earnings of last few quarters. According to Minervini, a company qualifies for Earnings Acceleration, if the earning growth rate is constantly increasing since last 3 quarters.

So, if EPS increased by 5% in Mar'23, 10% in June'23, 15% in Sep'23, 20% in Dec'23 - it qualifies for Earnings Acceleration because growth rate of Dec'23 > Sep'23 > June'23 > Mar'23.

Pro-Setups Dashboard has filters for **Sales and Margins Acceleration**, in addition to **Earnings Acceleration**.



To relax the filters a bit, instead of considering 3 quarters of continuous acceleration, we have considered 2 quarters of continuous acceleration.

WHAT IF YOU GET SALES, EARNINGS AND MARGINS ACCELERATION, ALL TOGETHER??

That's like hitting on all cylinders and Mark Minervini named it **Code 33**.

Pro-Setups Dashboard has got you covered there too with a readymade filter.