

Forum:[Hack Forums](#)

Thread: [Finding Penny Stocks](#)

amethyst - June 6, 2019, 12:14 pm

What is the best way to find penny stocks and create a portfolio? Just starting out and trying to figure out where to start?

007 - June 7, 2019, 6:37 am

Posting here since Im interested too.

NZT - June 7, 2019, 11:37 am

Just a reminder that penny stocks shouldn't really account for more than 10% (5% really) of your portfolio.

Risk level is huge with so many of them turning into nothing.

To find ones, begin with an industry you know well. Screen out the pink sheets for all stocks in your industry. Then sort them by a factor of your choice, could be anything, P/E ratio etc. etc., and then take the ones that stand out to you (perhaps due to a lower than mkt average P/E, signalling they are undervalued) then conduct suitable DD.

Grey Knight365 - June 7, 2019, 1:27 pm

Penny stocks rarely are good payouts, you'd be better off in crypto then penny stocks in my opinion IMO.

amethyst - June 8, 2019, 10:56 am

(Jun 7, 2019 11:37 AM)NZT Wrote: [\[CITE\]](#) Just a reminder that penny stocks shouldn't really account for more than 10% (5% really) of your portfolio.

Risk level is huge with so many of them turning into nothing.

To find ones, begin with an industry you know well. Screen out the pink sheets for all stocks in your industry. Then sort them by a factor of your choice, could be anything, P/E ratio etc. etc., and then take the ones that stand out to you (perhaps due to a lower than mkt average P/E, signalling they are undervalued) then conduct suitable DD.

Thanks for the advice 5% to 10% maximum sound reasonable. Might I ask what these abbreviations mean P/E ratio mkt average and Pink Sheets

geist - June 9, 2019, 10:47 am

You don't, OP. 99% of the time it's not worth your time or capital.

FizzyPijin - June 9, 2019, 12:16 pm

[quote='Kali' pid='58652729' dateline='1559914664']

Posting here since Im interested too.

NOICE big epic win for the gamers

NZT - June 9, 2019, 12:31 pm

(Jun 8, 2019 10:56 AM)Wurl_Order Wrote: [\[CITE\]](#) Thanks for the advice 5% to 10% maximum sound reasonable. Might I ask what these abbreviations mean P/E ratio mkt average and Pink Sheets
PE is the price to earnings ratio. i.e. how the stock price relates to the company's profitability.

Pink sheets "refer to a listing service for stocks that trade via over-the-counter (OTC). Pink sheet listings are companies that are not listed on a major exchange like the New York Stock Exchange (NYSE) or Nasdaq. Stocks listed on the pink sheet are usually small penny stocks that trade for less than five dollars per share."

brynd63 - June 14, 2019, 8:17 pm

Thank you for the well explained answers, I found them useful.

amethyst - June 15, 2019, 2:02 pm

(Jun 9, 2019 12:31 PM)NZT Wrote: [\[CITE\]](#) PE is the price to earnings ratio. i.e. how the stock price relates to the company's profitability.

Pink sheets "refer to a listing service for stocks that trade via over-the-counter (OTC). Pink sheet listings are companies that are not listed on a major exchange like the New York Stock Exchange (NYSE) or Nasdaq. Stocks listed on the pink sheet are usually small penny stocks that trade for less than five dollars per share."

Thanks for the Information

(Jun 9, 2019 12:31 PM)NZT Wrote: [\[CITE\]](#) PE is the price to earnings ratio. i.e. how the stock price relates to the company's profitability.

Pink sheets "refer to a listing service for stocks that trade via over-the-counter (OTC). Pink sheet listings are companies that are not listed on a major exchange like the New York Stock Exchange (NYSE) or Nasdaq. Stocks listed on the pink sheet are usually small penny stocks that trade for less than five dollars per share."

So Shorting the stock would be a good approach

NZT - June 16, 2019, 10:07 am

(Jun 15, 2019 02:02 PM)Wurl_Order Wrote: [\[CITE\]](#) So Shorting the stock would be a good approach
To determine whether you should short the stock, you should look at the company's fundamentals and their propensity to become/remains profitable in the future.