Bull of the Day: Paycom Software (PAYC)

Strong growth, and a Shark Tank investor, send this HCM cloud ninja to $500 and 30X sales https://www.entrepreneur.com/article/383512

Why Shares of Chewy (CHWY) Plunged on Thursday

Online pet food retailer Chewy (CHWY) was one of the big winners of the pandemic, but its latest earnings update disappointed investors and analysts. https://www.entrepreneur.com/article/383483

Best Stocks to Buy after Hurricane Ida

Which home improvement stocks will benefit from a busy summer? https://www.entrepreneur.com/article/383474

Markets Tread Cautiously, At or Near New Highs

The S&P notched a new intra-day record high before the afternoon slide, while the Nasdaq put up its 33rd record closing high for 2021 so far.

September 1, 2021 4 min read

This story originally appeared on Zacks

A cautious market – one which saw defensive plays like Real Estate, Healthcare and Staples go higher while Energy and Financials were lower – dominated this Hump Day trading activity. All indexes besides the small-cap Russell 2000 (which outperformed the majors at +0.58% on the day) took a dip in the final hour or so of trading. The S&P 500 was flat (+0.03%), the Nasdaq was +0.33% and the Dow came in its third-straight session lower: -0.14%.

As we pointed out in this column yesterday afternoon, however, the Dow is less on a losing streak than a settling period. In its three-days down, the blue-chip index is down -0.42% combined, not even half a percentage point. The S&P even notched a new intra-day record high before the afternoon slide. For its part, the Nasdaq put up its 33rd record closing high for 2021 so far.

ADP ADP private-sector payrolls disappointed this morning, but investors seemed to shrug off this news when it came out before the opening bell. **Markit Manufacturing PMI** for August came in right in-line with expectations at 61.1, while **ISM Manufacturing** bounced back slightly from six-month lows the previous month to 59.9%, also for August. And July's

Construction Spending outperformed expectations to +0.3%, from a downwardly revised 0.0% for June.

Though Q2 earnings season is almost entirely in the rear view, **Chewy CHWY** posted results that compared poorly with the Zacks consensus: -4 cents per share was worse than the -2 cents analysts had expected, on $2.16 billion in revenues which missed the $2.17 billion estimate. This has helped send shares of the Zacks Rank #2 (Buy)-rated specialty retailer down 11% in late trading.

Another problem analysts saw in the Q2 release was lower revenue guidance for both Q3 and the full fiscal year. Active customers had gained +21% in the quarter, with +13% growth in sales per active user. Yet the lowered guidance, which has swung the stock negative year to date, looks problematic for a company in what appears to be a growth industry. It's the fourth bottom-line miss since the company's 2019 IPO, but the first in the past four quarters.

We have a big day of economic prints tomorrow, including revisions to Q2 Productivity and Labor Costs, the U.S. Trade Balance, Factory Orders and, of course, weekly jobless claims on both the initial and continuing sides. We may uncover new post-Covid lows on jobless claims; on the longer-term side, we're already riding a pretty decent winning streak. And this predates Friday's nonfarm payroll reports, which is supposed to yield roughly double the monthly job gains the ADP reported.

Questions or comments about this article and/or its author? Click here>>

Infrastructure Stock Boom to Sweep America

A massive push to rebuild the crumbling U.S. infrastructure will soon be underway. It's bipartisan, urgent, and inevitable. Trillions will be spent. Fortunes will be made.

The only question is “Will you get into the right stocks early when their growth potential is greatest?”

Zacks has released a Special Report to help you do just that, and today it’s free. Discover 7 special companies that look to gain the most from construction and repair to roads, bridges, and buildings, plus cargo hauling and energy transformation on an almost unimaginable scale.

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Can Earnings Continue to Improve?

We know that the earnings picture remains strong, even though the growth pace is expected to decelerate significantly in Q3 and beyond. What we don't…

September 1, 2021 5 min read

This story originally appeared on Zacks

*Note: The following is an excerpt from this week's **Earnings Trends** report. You can access the full report that contains detailed historical actual and estimates for the current and following periods, **please click here>>>***

Here are the key points:

- We know that the earnings picture remains strong, even though the growth pace is expected to decelerate significantly in Q3 and beyond. What we don't know at this stage is whether the incremental change in the earnings outlook over the coming days, as reflected in earnings estimate revisions, will be positive or negative.
- Estimates for 2021 Q3, whose early reports will start coming out in the coming days, have not moved up as much as had been the case in the comparable periods in the last few quarters. That said, the revisions trend remains positive and could very well gain pace as the reporting cycle gets underway.
- Total Q3 earnings for the S&P 500 index are expected to be up +26.2% from the same period last year on +13.7% higher revenues. This would follow the +94.6% earnings growth on +25.1% higher revenues in Q2.

- For the 493 S&P 500 members that have reported Q2 results already, total earnings are up +95.9% on +25.5% higher revenues, with 87.2% beating EPS estimates and 86.8% topping revenue estimates.
- The notable positives in the Q2 reporting cycle included broad-based strength, with the aggregate quarterly earnings total reaching a new all-time record, impressive momentum on the revenue side and continued positive estimate revisions for the current period (2021 Q3) and beyond, albeit at a decelerated pace.
- Looking at the calendar-year picture for the S&P 500 index, earnings are projected to climb +42.5% on +13.1% higher revenues in 2021 and increase +8.9% on +6.4% higher revenues in 2022. This would follow an earnings decline of -13% on -1.7% lower revenues in 2020.
- The implied 'EPS' for the S&P 500 index, calculated using the current 2021 P/E of 23.4X and index close, as of August 31st, is $193.98, up from $136.10 in 2020. Using the same methodology, the index 'EPS' works out to $211.23 for 2022 (P/E of 21.5X). The multiples have been calculated using the index's total market cap and aggregate bottom-up earnings for each year.

The earnings focus lately has been on retailers and the numbers from that space are as strong and impressive as we have been seeing consistently from other sectors in the Q2 reporting cycle.

Results from most of the specialty and department store operators were as strong as those from the big-box players. In fact, the earlier results from Walmart WMT, Target TGT, Home Depot HD and Lowe's LOW provided useful read-through about the state of the consumer.

The market's varied reaction to the big-box results isn't so much a function of the quality of the reports, but rather how

these stocks had performed in the run up to the results. The state of the consumer remains strong and these retailers have refined their business models to capitalize on this favorable backdrop.

The long-feared drop off in growth from these big-box operators in the post-Covid world has yet to fully materialize, though rising costs from a number of areas including inputs, freight, payroll and supply-chain disruptions cast doubts about the margins outlook. That said, these headwinds are hardly unique to the retail space, as we heard consistently from management teams across different sectors.

We discussed the Retail sector's scorecard in greater detail in the body of the report. But suffice it to say, the sector's Q2 results have been strong, following the trends elsewhere.

The Earnings Big Picture

Looking past the Q2 earnings season, the expectation is for earnings growth of +26.2% on +13.7% higher revenues in 2021 Q3. Estimates for the current period (2021 Q3) have gone up, as the chart below shows.

Image Source: Zacks Investment Research

Please note that while the Q3 estimate revisions trend remains positive, it is not as strong as we had seen in the comparable periods of the preceding two quarters. It might be nothing more than a reflection of analysts' tentativeness about the impact of the ongoing Delta variant, but it is nevertheless something we will be closely monitoring in the days ahead.

The chart below provides a big-picture view of earnings on a quarterly basis.

Image Source: Zacks Investment Research

The chart below shows the overall earnings picture on an annual basis, with the growth momentum expected to continue.

Image Source: Zacks Investment Research

We remain positive in our earnings outlook, as we see the full-year 2021 growth picture steadily improving, with the revisions trend accelerating in the back half of the year.

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Zacks Investment Research

https://www.entrepreneur.com/article/383165

Thermo Fisher Scientific (TMO) Outpaces Stock Market Gains: What You Should Know

Thermo Fisher Scientific (TMO) closed the most recent trading day at $561.72, moving +1.22% from the previous trading session.

September 1, 2021 3 min read

This story originally appeared on Zacks

Thermo Fisher Scientific (TMO) closed the most recent trading day at $561.72, moving +1.22% from the previous trading session. The stock outpaced the S&P 500’s daily gain of 0.03%.

Prior to today’s trading, shares of the maker of scientific

instrument and laboratory supplies had gained 3.34% over the past month. This has outpaced the Medical sector's gain of 2.3% and the S&P 500's gain of 3.02% in that time.

Investors will be hoping for strength from TMO as it approaches its next earnings release. In that report, analysts expect TMO to post earnings of $4.59 per share. This would mark a year-over-year decline of 18.47%. Meanwhile, the Zacks Consensus Estimate for revenue is projecting net sales of $8.22 billion, down 3.53% from the year-ago period.

TMO's full-year Zacks Consensus Estimates are calling for earnings of $22.07 per share and revenue of $35.98 billion. These results would represent year-over-year changes of +12.89% and +11.66%, respectively.

Investors might also notice recent changes to analyst estimates for TMO. These revisions typically reflect the latest short-term business trends, which can change frequently. With this in mind, we can consider positive estimate revisions a sign of optimism about the company's business outlook.

Our research shows that these estimate changes are directly correlated with near-term stock prices. Investors can capitalize on this by using the Zacks Rank. This model considers these estimate changes and provides a simple, actionable rating system.

The Zacks Rank system, which ranges from #1 (Strong Buy) to #5 (Strong Sell), has an impressive outside-audited track record of outperformance, with #1 stocks generating an average annual return of +25% since 1988. Within the past 30 days, our consensus EPS projection has moved 0.02% higher. TMO is currently sporting a Zacks Rank of #3 (Hold).

Looking at its valuation, TMO is holding a Forward P/E ratio of 25.15. This represents a discount compared to its industry's average Forward P/E of 44.7.

Meanwhile, TMO’s PEG ratio is currently 1.29. This metric is used similarly to the famous P/E ratio, but the PEG ratio also takes into account the stock’s expected earnings growth rate. TMO’s industry had an average PEG ratio of 3.29 as of yesterday’s close.

The Medical – Instruments industry is part of the Medical sector. This industry currently has a Zacks Industry Rank of 174, which puts it in the bottom 32% of all 250+ industries.

The Zacks Industry Rank gauges the strength of our industry groups by measuring the average Zacks Rank of the individual stocks within the groups. Our research shows that the top 50% rated industries outperform the bottom half by a factor of 2 to 1.

To follow TMO in the coming trading sessions, be sure to utilize Zacks.com.

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Thermo Fisher Scientific Inc. (TMO): Free Stock Analysis Report

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Find ‘Strong Buy’ Stocks for September with this Screener

September 1, 2021 5 min read

This story originally appeared on Zacks

Despite the slight pullback on the last day of August, all three major U.S. indexes posted monthly gains. The Dow climbed 1.2%, while the Nasdaq jumped roughly 4%, and the S&P 500 popped nearly 3%. The benchmark index posted its seventh straight monthly climb and August marked its best showing since April.

Wall Street reacted positively to Jerome Powell’s speech late last week. The Fed chairman continued his dovish tone on interest rates despite concerns about rising prices. The central bank is planning to scale back its bond purchases at some point later this year. But investors appear focused on the fact that interest rates will favor stocks for the foreseeable future even when the Fed finally begins to lift rates.

Weekly jobless claims hovering at their lowest levels since March 2020 amid Delta variant worries is another positive sign as we start September. On top of that, the overall earnings picture continues to improve, even though positive Q3 revisions have slowed.

Some investors might want to consider buying strong stocks to start the new month, with trading volumes likely to return to normal levels soon after the Labor Day holiday. And utilizing our Filtered Zacks Rank 5 Stock Screener is a great place to start…

Zacks Rank #1 (Strong Buy) stocks outperform the market in both good and bad times. However, there are over 200 stocks that earn a Zacks Rank #1 at any given time. Therefore, it's helpful to understand how to apply filters to the Zacks Rank in order to narrow the list down to a more manageable and tradable set of stocks.

Parameters

Clearly, there are only three items on this screen. But together, these three filters can result in some impressive returns.

- **Zacks Rank equal to 1**

Starting with a Zacks Rank #1 is often a strong jumping off point because it boasts an average annual return of roughly 24.4% per year since 1988.

- **% Change (Q1) Est. over 4 Weeks greater than 0**

Positive current quarter estimate revisions over the last four weeks.

The Zacks Rank looks at earnings estimate revisions for the current year (F1) and the next year (F2). The additional component factors in current quarter (Q1) estimate revisions. The idea is pretty simple.

A company that has experienced downward revisions for the current quarter could soon see longer-term negative revisions. Meanwhile, if a company has earned positive earnings revisions for its current quarter, it might signal that more upward revisions could be coming down the road, which would make it an attractive buy.

- **% Broker Rating Change over 4 Week equal to Top # 5**

Top 5 stocks with the best average broker rating changes over the last four weeks.

In this screen, we are searching for positive broker rating changes or upgrades over the last four weeks. On top of that, we want to cut down on the number of stocks that come through. So, we configured the screen to select the top 5 stocks with the best broker rating upgrade.

Investors should note that broker ratings typically lean toward the upside. Therefore, our screen makes sure that the brokers are getting more bullish, or at the least not getting less bullish (or even bearish) on the stock.

It is worth noting that the actual broker ratings do not matter as much as the upgrade itself, because stocks with broker rating upgrades have been proven to outperform their counterparts that do not earn positive broker rating changes or downgrades.

This strategy comes loaded with the Research Wizard and is called bt_sow_filtered zacks rank5. It can be found in the SoW (Screen of the Week) folder.

Here are **2** of the **5** stocks that qualified for the Filtered Zacks Rank 5 strategy today…

RentACenter, Inc. RCII

MI Homes, Inc. MHO

See the rest of the stocks on this list and start trading the Filtered Zacks Rank 5 (or any of our other strategies) in your own account. Remember, the key to successful screening is finding screens that have produced profitable results in the past. And that's exactly what you get with the Research Wizard stock picking and backtesting program.

Get the rest of the stocks on this list and start looking for the newest companies that fit these criteria. It's easy to do. And it could help you find your next big winner. Start screening for these companies today with a free trial to the Research Wizard. You can do it.

Click here to sign up for a free trial to the Research Wizard today.

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Zacks' Super Screen

It's hard to believe, even for us at Zacks. But from 2000-2020, while the market gained +6.6% per year, our top stock-picking strategy averaged **+52.4%** per year.

How has that screen done lately? From 2016-2020, it more than

tripled the market’s +103.9% gain with a soaring **+381.1%** return.

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Constellation Brands (STZ) Dips More Than Broader Markets: What You Should Know

Constellation Brands (STZ) closed at $211.14 in the latest trading session, marking a -0.31% move from the prior day.

August 31, 2021 4 min read

This story originally appeared on Zacks

Constellation Brands (STZ) closed the most recent trading day at $211.14, moving -0.31% from the previous trading session. This move lagged the S&P 500's daily loss of 0.14%.

Heading into today, shares of the wine, liquor and beer company had lost 4.94% over the past month, lagging the Consumer Staples sector's loss of 0.2% and the S&P 500's gain of 3.13% in that time.

Wall Street will be looking for positivity from STZ as it approaches its next earnings report date. On that day, STZ is projected to report earnings of $2.84 per share, which would represent year-over-year growth of 2.9%. Our most recent consensus estimate is calling for quarterly revenue of $2.35 billion, up 3.81% from the year-ago period.

For the full year, our Zacks Consensus Estimates are projecting earnings of $10.04 per share and revenue of $8.59 billion, which would represent changes of +0.7% and -0.34%, respectively, from the prior year.

Investors should also note any recent changes to analyst estimates for STZ. These revisions help to show the ever-changing nature of near-term business trends. As such, positive estimate revisions reflect analyst optimism about the company's business and profitability.

Our research shows that these estimate changes are directly correlated with near-term stock prices. Investors can capitalize on this by using the Zacks Rank. This model considers these estimate changes and provides a simple, actionable rating system.

Ranging from #1 (Strong Buy) to #5 (Strong Sell), the Zacks Rank system has a proven, outside-audited track record of outperformance, with #1 stocks returning an average of +25% annually since 1988. Over the past month, the Zacks Consensus EPS estimate has moved 0.02% lower. STZ is currently sporting a Zacks Rank of #3 (Hold).

Investors should also note STZ’s current valuation metrics, including its Forward P/E ratio of 21.09. This represents a discount compared to its industry’s average Forward P/E of 26.23.

Meanwhile, STZ’s PEG ratio is currently 3.49. This popular metric is similar to the widely-known P/E ratio, with the difference being that the PEG ratio also takes into account the company’s expected earnings growth rate. Beverages – Alcohol stocks are, on average, holding a PEG ratio of 2.59 based on yesterday’s closing prices.

The Beverages – Alcohol industry is part of the Consumer Staples sector. This industry currently has a Zacks Industry Rank of 212, which puts it in the bottom 17% of all 250+ industries.

The Zacks Industry Rank gauges the strength of our industry groups by measuring the average Zacks Rank of the individual stocks within the groups. Our research shows that the top 50% rated industries outperform the bottom half by a factor of 2 to 1.

You can find more information on all of these metrics, and much more, on Zacks.com.

Bitcoin, Like the Internet Itself, Could Change Everything

Blockchain and cryptocurrency has sparked one of the most exciting discussion topics of a generation. Some call it the “Internet of Money” and predict it could change the way money works forever. If true, it could do to banks what Netflix did to Blockbuster and Amazon did to Sears. Experts agree we’re still in the early stages of this technology, and as it grows, it will create several investing opportunities.

Zacks’ has just revealed 3 companies that can help investors capitalize on the explosive profit potential of Bitcoin and the other cryptocurrencies with significantly less volatility

than buying them directly.

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Schlumberger (SLB) Dips More Than Broader Markets: What You Should Know

Schlumberger (SLB) closed at $28.04 in the latest trading session, marking a -0.85% move from the prior day.

August 31, 2021 3 min read

This story originally appeared on Zacks

Schlumberger (SLB) closed at $28.04 in the latest trading session, marking a -0.85% move from the prior day. This move lagged the S&P 500’s daily loss of 0.14%.

Heading into today, shares of the world's largest oilfield services company had lost 0.77% over the past month, lagging the Oils-Energy sector's gain of 0.71% and the S&P 500's gain of 3.13% in that time.

SLB will be looking to display strength as it nears its next earnings release. The company is expected to report EPS of $0.35, up 118.75% from the prior-year quarter. Our most recent consensus estimate is calling for quarterly revenue of $5.92 billion, up 12.56% from the year-ago period.

SLB's full-year Zacks Consensus Estimates are calling for earnings of $1.25 per share and revenue of $22.92 billion. These results would represent year-over-year changes of +83.82% and -2.88%, respectively.

It is also important to note the recent changes to analyst estimates for SLB. These revisions typically reflect the latest short-term business trends, which can change frequently. As such, positive estimate revisions reflect analyst optimism about the company's business and profitability.

Based on our research, we believe these estimate revisions are directly related to near-team stock moves. To benefit from this, we have developed the Zacks Rank, a proprietary model which takes these estimate changes into account and provides an actionable rating system.

The Zacks Rank system ranges from #1 (Strong Buy) to #5 (Strong Sell). It has a remarkable, outside-audited track record of success, with #1 stocks delivering an average annual return of +25% since 1988. Within the past 30 days, our consensus EPS projection has moved 1.43% higher. SLB is currently sporting a Zacks Rank of #1 (Strong Buy).

Digging into valuation, SLB currently has a Forward P/E ratio of 22.72. For comparison, its industry has an average Forward P/E of 29.81, which means SLB is trading at a discount to the

group.

The Oil and Gas – Field Services industry is part of the Oils-Energy sector. This group has a Zacks Industry Rank of 222, putting it in the bottom 13% of all 250+ industries.

The Zacks Industry Rank gauges the strength of our industry groups by measuring the average Zacks Rank of the individual stocks within the groups. Our research shows that the top 50% rated industries outperform the bottom half by a factor of 2 to 1.

Make sure to utilize Zacks. Com to follow all of these stock-moving metrics, and more, in the coming trading sessions.

Bitcoin, Like the Internet Itself, Could Change Everything

Blockchain and cryptocurrency has sparked one of the most exciting discussion topics of a generation. Some call it the "Internet of Money" and predict it could change the way money works forever. If true, it could do to banks what Netflix did to Blockbuster and Amazon did to Sears. Experts agree we're still in the early stages of this technology, and as it grows, it will create several investing opportunities.

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PepsiCo (PEP) Gains As Market Dips: What You Should Know

PepsiCo (PEP) closed at $156.39 in the latest trading session, marking a +0.25% move from the prior day.

August 31, 2021 3 min read

This story originally appeared on Zacks

PepsiCo (PEP) closed at $156.39 in the latest trading session, marking a +0.25% move from the prior day. This move outpaced the S&P 500's daily loss of 0.14%.

Heading into today, shares of the food and beverage company had lost 0.2% over the past month, trading in line with the Consumer Staples sector and lagging the S&P 500's gain of 3.13% in that time.

PEP will be looking to display strength as it nears its next earnings release, which is expected to be October 5, 2021. The company is expected to report EPS of $1.72, up 3.61% from the prior-year quarter. Our most recent consensus estimate is calling for quarterly revenue of $19.37 billion, up 7.1% from the year-ago period.

PEP's full-year Zacks Consensus Estimates are calling for

earnings of $6.24 per share and revenue of $77.27 billion. These results would represent year-over-year changes of +13.04% and +9.8%, respectively.

It is also important to note the recent changes to analyst estimates for PEP. These revisions typically reflect the latest short-term business trends, which can change frequently. As such, positive estimate revisions reflect analyst optimism about the company's business and profitability.

Based on our research, we believe these estimate revisions are directly related to near-team stock moves. To benefit from this, we have developed the Zacks Rank, a proprietary model which takes these estimate changes into account and provides an actionable rating system.

The Zacks Rank system ranges from #1 (Strong Buy) to #5 (Strong Sell). It has a remarkable, outside-audited track record of success, with #1 stocks delivering an average annual return of +25% since 1988. Within the past 30 days, our consensus EPS projection has moved 0.01% higher. PEP is currently sporting a Zacks Rank of #3 (Hold).

Digging into valuation, PEP currently has a Forward P/E ratio of 25.01. For comparison, its industry has an average Forward P/E of 24, which means PEP is trading at a premium to the group.

Also, we should mention that PEP has a PEG ratio of 2.97. The PEG ratio is similar to the widely-used P/E ratio, but this metric also takes the company's expected earnings growth rate into account. PEP's industry had an average PEG ratio of 2.51 as of yesterday's close.

The Beverages – Soft drinks industry is part of the Consumer Staples sector. This industry currently has a Zacks Industry Rank of 119, which puts it in the top 47% of all 250+ industries.

The Zacks Industry Rank gauges the strength of our industry groups by measuring the average Zacks Rank of the individual stocks within the groups. Our research shows that the top 50% rated industries outperform the bottom half by a factor of 2 to 1.

To follow PEP in the coming trading sessions, be sure to utilize Zacks.com.

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