

Stock Analysis Prompts

Disclaimer and Usage Guidance

The following prompts are designed to support the analysis of stocks in the financial markets and assist in generating informed insights. These prompts are intended for informational and educational purposes only and do not constitute financial advice or investment recommendations. Any decisions or actions taken based on the use of these prompts are the sole responsibility of the user.

Each category includes two prompts to guide a structured evaluation process.

Revenue Growth

1. Locate the income statement for [STOCK TICKER]. What are the total revenues for the past five years? Calculate the annual growth rate and determine if it consistently exceeds 10% per year.
2. Using the company's income statements, create a 5-year revenue trend chart for [STOCK TICKER]. Is there consistent year-over-year revenue growth of 10% or more?

Profit Margins

1. Check the net profit margin (net income \div revenue) for [STOCK TICKER] over the last 3–5 years. Is the margin above 10%, and is it showing an upward trend?
2. Compare [STOCK TICKER]'s current net profit margin with at least two direct competitors or industry peers. Is it higher or lower, and how has it changed over the last few years?

Debt Assessment Margin

1. From the balance sheet of [STOCK TICKER], what is the total debt figure? Divide this by the most recent annual net profit. Is the resulting ratio below 3?
2. Evaluate [STOCK TICKER]'s debt-to-net-income ratio for the last three years. Has it remained below the threshold of 3? Is the ratio improving or deteriorating?

Cashflow Strength

1. Review the cash flow statement of [STOCK TICKER]. Is the free cash flow positive and increasing over the last three years? Compare it to net income—does it align or exceed profits?

2. Plot free cash flow versus net income for [STOCK TICKER] over the past five years. Are both growing in tandem, and does free cash flow consistently support or exceed net income?

Valuation Check

1. What is the current price-to-earnings (P/E) ratio of [STOCK TICKER]? Is it under 30, and how does it compare with the average P/E ratios of competitors in the same industry?
2. Compare [STOCK TICKER]'s current P/E ratio to its 5-year average. Is the current valuation high, low, or in line with historical norms?

Risk Analysis Recommendation

Using the income statement, balance sheet, and cash flow statement of [STOCK TICKER], assess the stock's risk level by evaluating the following:

1. Revenue Growth – Is annual revenue growth consistent and ideally above 10%?
2. Profit Margins – Are net profit margins above 10% and improving over time? How do they compare to industry peers?
3. Debt Assessment – Is the total debt less than 3 times the annual net profit?
4. Cash Flow Strength – Is free cash flow consistently positive and growing? Does it align with or exceed reported net income?
5. Valuation Check – Is the P/E ratio below 30 and competitive within the industry and historical averages?

Based on this multi-criteria analysis, provide a risk level recommendation (e.g., low, moderate, or high risk), and briefly justify your conclusion with supporting data from the above metrics.