

INTERNET & TECHNOLOGY

Nasdaq And Other Sites Offer Investment Tools

Some Free, Some Fee

SEC Financial Explorer among the online wares available for all investors

BY J. BONASIA

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In a tough economy, where can investors turn? A range of new software services are available to help people choose investments and manage portfolios.

Many investors are looking for answers because they fear the economy is headed south no matter what the Fed does, says Eric Sussman, a lecturer at UCLA's Anderson School of Management.

"We're in a period now when individual investors feel extraordinary negativity and pessimism, not too far from panic," Sussman said. "People are freaking out."

For this reason, the Securities and Exchange Commission launched a free online tool last month at sec.gov/xbml. The Financial Explorer software gives shareholders a quick overview of the financial results of public companies. Investors can screen their stocks based on various factors such as profit, expenses or cash flows.

The Nasdaq stock exchange Web site recently unveiled its own "instant replay" service to track broad market movements.

Nasdaq Market Replay

In addition, some software vendors have rolled out or announced new products and services to help investors make sense of the current financial turmoil.

Investment pros and fund managers can pay \$50 per month to get the Nasdaq Market Replay service, which is available online at data.nasdaq.com.

Nasdaq executives hope to be able to sell the service wholesale to financial portals such as Yahoo Finance and MSN Money, which then perhaps could offer it at a much lower cost to individuals.

Investors can use the replay service to review past market events. It shows how stocks reacted to earnings calls or other news items. In turn, this process can reveal the triggers for large purchases or sell-offs of certain stocks, says Wayne Lee, a Nasdaq spokesman.

"You can actually see the market replaying before your eyes," Lee said. "Instant replay gives investors a better understanding of the game, because things often happen so fast that you can't grasp them."

UCLA's Sussman worked with privately held **Benchmark Metrics** to develop a new online software product called **Insight FSA**, which costs \$4,995 a year, or \$1,495 a quarter. By analyzing financial filings to the SEC, the software raises red flags about a stock's performance.

Earnings, revenue, cash flows and assets are all measured for their quality in relation to the company's peer group. The screen helps users assess risks.

ProfitCents, From Sageworks

For instance, the system can spot when inventory is growing much faster than revenue, or when cash flows are lower than net income.

"The software can assess candidates for potential accounting issues," Sussman said. "That includes restatements, or the use of accounting gimmicks to overstate revenue or understate expenses."

Sageworks, another privately held software firm, offers a product called **ProfitCents Public**.

It breaks down a stock's true value compared with the going market price.

This helps investors get a better sense of whether the shares are a good buy or not, says Sageworks Chief Executive Brian Hamilton.

In part, Sageworks' software sizes up a company's past and future cash flows vs. its sector rivals', Hamilton says.

"It comes down to a simple thing," he said. "The value of an asset is strongly connected to the amount of cash that asset produces."

The results are stated in plain language, without all the jargon common to financial professionals, Hamilton says. Many finance pros use the product, he says, including some 200,000 certified public accountants.