Penny stocks for dummies free download

If you are looking for large profits from a small investment, then penny stocks can be hard to pass up. These shares trade at only a few cents per share, meaning they can potentially make a good return on a small investment if trading works. The keyword here is yes. Penny trading stocks in a murky world outside the regulated stock market environment. Especially if you are new to trading penny stocks, investing in them can be as strategic as rolling a die. Penny shares are shares that trade at a very low price; not a penny, but certainly less than $5 per share. The companies that issue them tend to be small with no commercial history and a very small market capitalization. This means that you would not need a large amount of cash to buy each stock at the current market price. Penny shares have a reputation for being a bit of a wild ride - values can rise ten times or fall to zero in the space of just a few days. On the contrary, gains in the conventional stock market can take many years to materialize. As such, penny shares are really only suitable for investors who have a high risk tolerance. Penny shares trade like any other stock, except that they do not trade on major stock markets. Rather, they are traded on ad services such as the over-the-counter bulleting board or through the electronic quote system called pink sheets. Unlike regular stocks where you can easily find online stock prices, figuring out the price of a penny stock is complicated. Normally, your stock broker will make a trade based on the offer price – what someone quotes to buy a stock – and ask price or how much a seller is willing to sell a stock for. The difference between the two is called the spread that determines how much money you will make in a trade. The main attraction is the potential to generate massive profits by identifying a company that will ultimately succeed. Suppose you invest $1,000 and buy 5,000 shares of a penny stock at a price of $0.20. Even a small increase in value to $1 would give you $5,000 and a profit of $4,000. Since penny stocks are so volatile, these gains could happen in a single day. These kinds of sudden and large victories are generally not possible with conventional stocks, as an investor would need significant amounts of money to buy that amount of stock. Being under no illusions - investing in penny stocks is much riskier than buying shares from an established company. Companies listed on pink sheets do not have to meet the minimum financial requirements set by the Securities and Exchange Commission protect investors; many of these companies are newly formed or are selling fire sales stocks to avoid bankruptcy. There is little information on which to base a solid investment decision. Liquidity is also a problem. Since penny stocks are a niche investment, it is possible that sell their shares and have to price very low to attract a buyer. To protect yourself, it's worth looking for the few penny stocks listed on the Nasdaq or the American Stock Exchange. These exchanges are heavily regulated and a much safer bet for investors. [Editor's note: 5 Penny Stocks to Buy If You Can Risk It was previously published in December 2019. It has since been rewritten and updated with new stock selections and updated analysis.] If you're a newbie who just saw The Wolf of Wall Street or you're a trader seasoned the former fliers in penny stocks have burned one hole too many in your pocket, the story is the same: stay away from penny stocks! Penny shares (classified by the SEC as anything trading under $5) are among the most volatile securities she will ever encounter. There are a few reasons for this, not least is that its low prices confuse many investors. Remember, just because a dollar's trades don't mean it's a cheap stock. Consider Lifeway Foods (NASDAQ:LWAY), which trades for just $2.45 and Danone (OTCMKTS:DANOY), trading at $15.55. On the one hand, Lifeway certainly looks cheaper, but it's not profitable at the level of operations. On the other hand, Danone has a price-to-earnings ratio of 15.9. In few areas: you are paying a much higher premium for LWAY shares despite its lower price sticker. This micro price tag makes stocks of cents more susceptible to scammers and wild swings in price. But all of this doesn't mean that buying penny stocks can't go your way – just that the odds are stacked against you. Are you still here? Good. For those of you determined to get rich fast and hold on to dear life, I've rounded up five penny stocks that I've found through a combination of earnings growth, fundamental strength and performance. I'll tell you if you have to buy it or stay away from it, but do yourself a favor and only invest money you can afford to lose. Basically, don't play with your child's college background. These actions are only for crazies that can stomach the risk. 5 Penny Stocks to Buy: Enservco Corporation (ENSV) Source: Shutterstock Sector: Energy Five-year earnings growth: 20% Annual return: -29.66% Enservco (NYSEARCA: ENSV) is a little-known oil and gas player with plenty of earnings juice in the tank. The reason you haven't heard of this Denver-based company is because of its particularly boring, but stable, business: improvement and fluid logistics. Simply put, Enservco works with American exploration and production companies (E& P) through its three subsidiary businesses (Heat Waves Hot Oil) Heat Waves Water Management, Dillco Fluid Service). These companies provide basic services including hot oil, acidification and frac water heating. It's not your conventional oil and gas business. While Enservco Enservco along with the rest of the oil plot during the dog days of the energy route, he has since turned things around. In 2016, ENSV reported an operating income loss of $11 million. By 2017, management had trimmed that loss to $5 million. And by 2018, its operating loss had fallen to just $2 million. During the first six months of 2019, Enservo posted operating income of $1.52 million. Enservco is now on track to become profitable again and the company has shown it can drive profit growth even in a low-priced environment. In its latest quarterly report, ENSV reported revenue growth of 19%. Do you have to buy ENSV shares? In the last year, Enservco shares are down 72%. But with an average growth rate of 20% expected over the next five years, it's not hard to see a path for ENSV shares to move higher. But for now, be cautious with ENSV's actions. Smart Sand (SND) Source: Shutterstock Sector: MineralsFive-year Earnings growth: -2.6% YTD yield: -26.6% Smart Sand (NASDAQ:SND) is another company that works directly with frackers and oil drillers. Unlike Enservco, the Smart Sands business is in hydrocarbons. Specifically, SND is in hydrocarbon recovery for big oil hydraulic frackers. It also owns its own sand mine for fracking in the Oakdale, Wisconsin area, and another mine in Jackson County, Wisconsin. Lately, the business has been good, with Smart Sand increasing its revenue from $59.7 million in 2014 to an expected $231 million in 2019. In T3, SND increased revenue by 4% year-on-year Better yet, Adjusted EBITDA rose 30% YoY If you buy SND shares? According to Silica (NYSE:SLCA) CEO Bryan Shinn, demand for locally sourced frac sand is growing. The trend towards longer sides and more sand per well continues and will boost strong demand towards 2019 and beyond, Shinn says. Higher oil prices should also ease greater demand for fracking sand and make SND shares worth keeping. SmithMicro (SMSI) Source: Shutterstock Sector: Technology expected 5-year earnings growth: 10.75% YTD yield: 69% Continuing in stock tradition you've never heard of, enters SmithMicro (NASDAQ:SMSI). SMSI plays an important role in many major technology trends, and is a key way to trend across various industries, including the mobile and cable industries. SmithMicro has more than 100 million devices worldwide that use SMSI products and solutions, running the range from home security to graphic tools for artists. Here's a quick summary of your suite Products: SafePath: Home connectivity and security designed for families. Includes parental location and controls, Internet of Things device connectivity and network security. CommSuite: Voice messaging with various iterations, including the ability to check voicemail on any device or platform. ViewSpot: Designed for retailers. ViewSpot supports in-store viewing analysis that tracks the customer's store journey. Graphics: Includes solutions for 2D animators, comic artists, hyperrealistic digital painting and an application that turns photos into works of art. Do you have to buy SMSI shares? SmithMicro's net income has recently exploded, going from a loss of $3.14 million in 2018 to a $3.2 million gain in T3. In addition, sentiment in SMSI is increasing. Josh Nichols of B. Riley slapped the stock with a buy rating and a price target of $8.50. That said, if you bought before the 69% increase in SMSI, keep holding the stock. For those of you looking for more three-digit gains, you'd be wary of sms stocks until a new catalyst emerges. Coffee Holding Co (JVA) Source: Shutterstock Sector: Food and Beverage Expected 5-year earnings growth: 16% YTD yield: -19.3% Like most companies on this list, you've probably never heard of Coffee Holding Co (NASDAQ: JVA) – a small scrappy business is beans. JVA sells wholesale coffee for various uses, including green coffee, use of private labels and as branded coffee. In 2011, Coffee Holding was on top of the world. Forbes named Coffee Holding No. 41 on its Best Small Business list amid a boom in coffee stocks. Companies like Caribou Coffee and Peet's Coffee & Tea were flying high as the price of coffee reached around $2.90 per pound. Today, both Caribou and Peet's are delisted as the price of coffee trades just under $1 per pound. The only U.S. coffee stock you're heard of now is Starbucks (NASDAQ: SBUX), which is more like McDonald's (NYSE: MCD) than aforementioned coffee stocks. However, Coffee Holdings continues to kick in despite the volatility of coffee prices, which have been on trend since November 2016. Do you have to buy JVA shares? His relative anonymity works in his favor; JVA shares currently have a single analyst (Stephen Anderson of Maxim Group) covering it, earning JVA its only buy rating. Anderson's price target of $9 is nearly double JVA's current hanger of $3.74. If Coffee Holding goes up on the back of higher coffee prices, you can bet that the price target will be revised higher and more analysts will pile up with their own goals. If you have money to risk, buy JVA shares before that happens. Dolphin Entertainment (DLPN) Source: Shutterstock Sector: Cyclical Consumer Services Earnings Growth Next year: 50% YTD performance: 20% If you evaluated Dolphin Entertainment (NASDAQ: DLPN) based solely on its 2018 performance, you might have run down the hills he didn't look back. I understand if it did – it's a relatively unknown company that has struggled for years to turn a profit, covered by a year of monster losses... why would anyone dare to risk their own money on DLPN? Its enormous upward potential. Three analysts have an average price target of $1.83 on the stock, more double its current price of 90 cents. Should you buy DLPN shares? With all the hoop surrounding it, Netflix (NASDAQ: NFLX) and Disney (NYSE: DIS), it's easy to forget that there are other content production companies in existence. Dolphin Entertainment may not be the biggest or the strongest, but it is making behind-the-scenes moves from Hollywood. It acquired 42West marketing team, which gave DLPN a revenue stream in the public relations industry. And with a price-to-sale ratio of just 0.6 and a market cap of just $14.95 million, it's hard not to take a flutter on DLPN shares. John Kilhefner is the managing editor of InvestorPlace.com. As of this writing, Kilhefner did not hold a position on any of the values mentioned above. If you have questions about the site or suggestions about our content, email us at editor@investorplace.com. Do you want to make us an article? Send your ideas and tips to investorplacestories@gmail.com, and if we like it, you'll hear back from us! Us!