

Reverse splits on low floats (1:5 split or higher)

Float:

-This by majority applies only to low float stocks bellow 15 mil in float.

Fundamentals of company and overall trend:

-fundamentals of company should be poor with lot of deficits or debt

-long term trend on D1 should be heading down or neutral with occasional spikes and fades, important factor that has to be present

Predictive - company is forced to do so:

-reverse splits can be predicted with detailed fundy analysis however its not needed and its too time consuming. The main point is that company has to reverse split in order to remain listed on NASDAQ.

History of reverse splits:

-hugely important factor. If company has history of previous splits its likely to do it again, and likely the price will fade on such reverse split. Previos split has to be recent, not more than 2 years old aligning with bear trend on D1.

-splithistory.com is the site to go for data on reverse splits for each ticker.

Average number of plays:

-on average 5 plays per month

Fade chance:

- 80-90% of low float reverse splits that fit all above conditions will fade on first day of trading after spike

Average run:

-on average about 50% run from the bottom up

-usually no gap, if there is huge gap avoid trading usually those just stall and dont trade

