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Two Ripe Perfect Shorts: Conn's Rotten Egg follows Titan Machinery's

Michael Markowski [Follow](#) | Tuesday, 29 March 2016 14:19 (EST)



My March 10, 2016, "[Two Ripe Perfect Shorts](#)" report I reiterated my recommendations to sell the shares of both **Titan Machinery (TITN)** and **Conn's (CONN)**. Titan Machinery was the first to lay its rotten egg when it reported its preliminary earnings on March 17, 2016 for its fourth quarter ended January 31, 2016. After its earnings were released Titan's share price percentage decline made the leader board posting a one day decline that was greater than 10%. Please see "[Titan Machinery Lays a Rotten Egg](#)".

With Conn's reporting of its fourth quarter earnings earlier today its share price is now laying a rotten egg. Conn's share price percentage decline today has eclipsed Titan's with Conn's shares now at the very top of the loser's leader board. Conn's shares have declined today by over \$3.00 per share from yesterday's \$15.65 to as low as \$11.81 and will likely close down by 20% on the day. Conn's share price is also now hovering just above its 5 year low.

Conn's reported \$0.11 of adjusted diluted earnings per share for the quarter as compared to \$0.46 in the prior fourth quarter ended January 31, 2015. The consensus estimate by Wall Street analysts was \$0.28 per share. Consolidated revenue for the quarter increased by 7.0% to \$456.8 million as compared to \$426.7 million in the prior year quarter. Revenue was in line with Wall Street's consensus analyst's estimates.

The financial results reported by my two perfect short recommendations, Conn's and Titan Machinery for their fiscal fourth quarters ended January 31, 2016 are in line with the type of results that I had been expecting both companies to report. Any company that I deem a "perfect short" is different from a company for which I make a "sell" or a "short" recommendation. The destiny of a perfect short is bankruptcy and a share price of zero.

My March 2016, report "[Ridding World of Negative Rates May Require Meltdown of Income-Producing Assets](#)" provides the rational or math which supports a decline of the S&P 500 by more than 50% to 925 by the end of 2017 or early 2018 as compared to the index's May 2015 all-time high of 2130. Should such a decline unfold, it would be almost impossible for Titan or Conn's to survive due to their financing dependent business models. The video "[Negative Rates Pose Risks to US Markets](#)" explains why negative rates introduced an entire new level of risk to the US and global economy.

About Perfect Short Research

In 2002, Michael Markowski, the founder and Director of Research of Dynasty Wealth founded StockDiagnostics.com upon discovering an anomaly when conducting a post mortem on the financial statements of Enron. He named the anomaly "[The EPS Syndrome](#)". From 2002 through 2013, Mr. Markowski conducted further research and monitored those companies having multiple and acute diagnoses of the syndrome and consistent negative quarterly cash flow characteristics. He discovered that afflicted companies with recurring diagnoses of The EPS Syndrome have a high probability of sudden and dramatic share price collapses and bankruptcies.

In 2013, Mr. Markowski named or classified a company having these tendencies and nine additional attributes a "perfect short". The destiny of a perfect short is bankruptcy and a share price of zero. Notable companies that met Mr. Markowski's 10 attributes qualifying them to be deemed as perfect shorts and that subsequently filed for bankruptcy included Lehman Brothers and the Fleming Companies which was formerly the largest food distributor in the US. A white paper by Mr. Markowski entitled "The Discovery and Defining of a 'Perfect Short'" which provides in-depth information about perfect shorts is available. A [video about the EPS Syndrome and perfect shorts](#) is also available for viewing via the active link herein.

Mr. Markowski does not relish his deeming a company a perfect short. He has never profited or attempted to profit by selling the shares short of those companies which he has discovered and named as perfect shorts. The research he produces on perfect shorts is a public service. Michael Markowski has personally witnessed the catastrophic financial consequences that a company can have on its shareholders when it un-expectantly files for bankruptcy.

For more information about perfect shorts see "[The Discovery and Defining of a Perfect Short'](#)" white paper. The video below explains the EPS Syndrome and also covers perfect short Titan Machinery:

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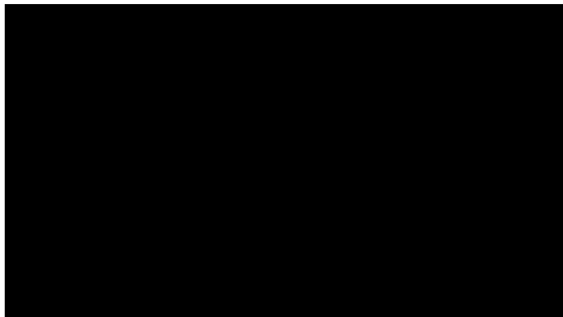
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Dynasty Wealth Investing is an exclusive investing community, which was co-founded by Michael Markowski. He is predicting that the decade ending 2020 will be recorded by historians as having been the best ever for investors to build dynasty wealth of 10- to 100-times investment from a diversified portfolio consisting of micro-cap companies. The 6-minute video below about Dynasty Wealth provides details about Dynasty Wealth's investment philosophy and its analysts. It also covers the industries and companies that have the potential to increase by 100% per year and by 10- to 100-times in value within five years.



Additional videos about producing dynasty wealth are available at <http://www.dynastywealth.com/video.php>. In-depth information about Michael Markowski and his past and current predictions is available at www.michaelmarkowski.net.

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