



S-Trader





SVA | Strategic Valuation Analysis Function

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Description

Structural Valuation Analysis (SVA) was first detailed by Dr. Verne Atrill in his manuscript, *How All Economies Work*, and has since been refined into an investment research system by the Strategic Analysis Corporation (SAC).

The key to using SVA is the understanding that the stock market is broken into a spectrum of “valuation zones”. That is to say, the stock market does not treat the valuation process as a continuum, but as a spectrum. These valuation zones are bounded by Breakpoints, which correspond to fixed multiples of an entity’s adjusted book value per share, referred to as the Normal Price. These multiples have their origin in Dr. Atrill’s theory of Accounting Dynamics, which explored how physical constants emerge to govern the financial structure of a firm. Zones are characterised by entity stability, risk, and investor expectations. At the Breakpoints, there is a natural tendency for prices to be turned back, thereby providing signals for optimal buying and selling points.

To learn more about Structural Valuation Analysis, [visit the website of Strategic Analysis Corporation](#)

Formula

Step 1: Calculate the adjusted book value per share, or Normal Price

$$\text{Normal Price} = (\text{Networth} + \text{Operational Earnings}) / \text{Total Shares Outstanding}$$

[Operational Earnings is the *natural* ongoing earning power of a company, and is a calculation proprietary to the SVA methodology.]

Step 2: Breakpoint calculation: Breakpoints are constant multiples of the Normal Price according to the table below:



Multiple of Normal Price	Breakpoints Name	Breakpoint Abbreviation
54.64	High Bubble 8	HB8
42.55	High Bubble 7	HB7
33.11	High Bubble 6	HB6
25.77	High Bubble 5	HB5
20.08	High Bubble 4	HB4
15.65	High Bubble 3	HB3
12.18	High Bubble 2	HB2
9.49	High Bubble 1	HB1
7.41	Bubble	BB
5.49	Mid Super Growth	MSG
4.48	Low Super Growth	LSG
3.46	Super Growth	SG
2.51	Mid-Growth	MG
2.00	Growth	G
1.45	High Conservation	HC
1.22	High-Mid	HM
1.00	Normal	N
0.82	Low-Mid	LM
0.68	Low Conservation	LC
0.59	Blue	BL
0.47	Deep Blue 1	DB1
0.37	Deep Blue 2	DB2
0.29	Deep Blue 3	DB3
0.22	Deep Blue 4	DB4
0.17	Deep Blue 5	DB5
0.14	Deep Blue 6	DB6



Parameters

Breakpoint Acronym

Any breakpoint in the table above

Output value(s)

There are up to 26 output values resulting from the Normal Price multiples under the SVA function.

Plot

The plot is an overlay inside the price series panel.

Quant Script™ Syntax

Short Form	<i>n/a</i>
Long Form	<i>SVA_function</i> (breakpoint acronym)



Dialogs

Chart Study Dialog

Bollinger Bands [Close]

Indicator Parameters

Source: ^EURUSD.close

Periods: 21

Standard Dev: 2.00000

MA Type: Exponential

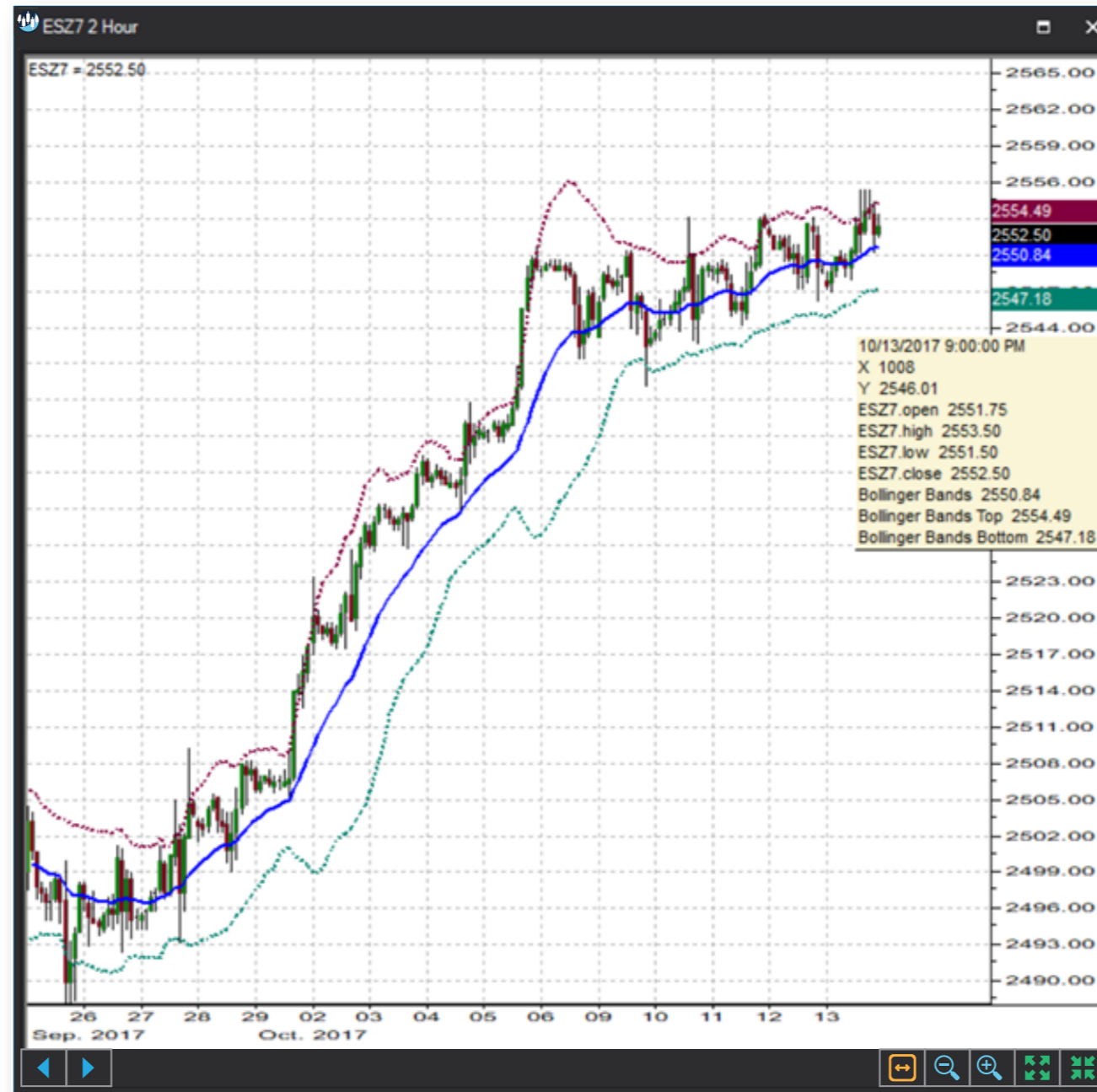
Series Configuration

Series	Type	Style	Width	Color	Background
Main	Line	Solid	2	Blue	None
Top	Line	Dash	2	Magenta	None
Bottom	Line	Dash	2	Teal	None

[Add] [Cancel]

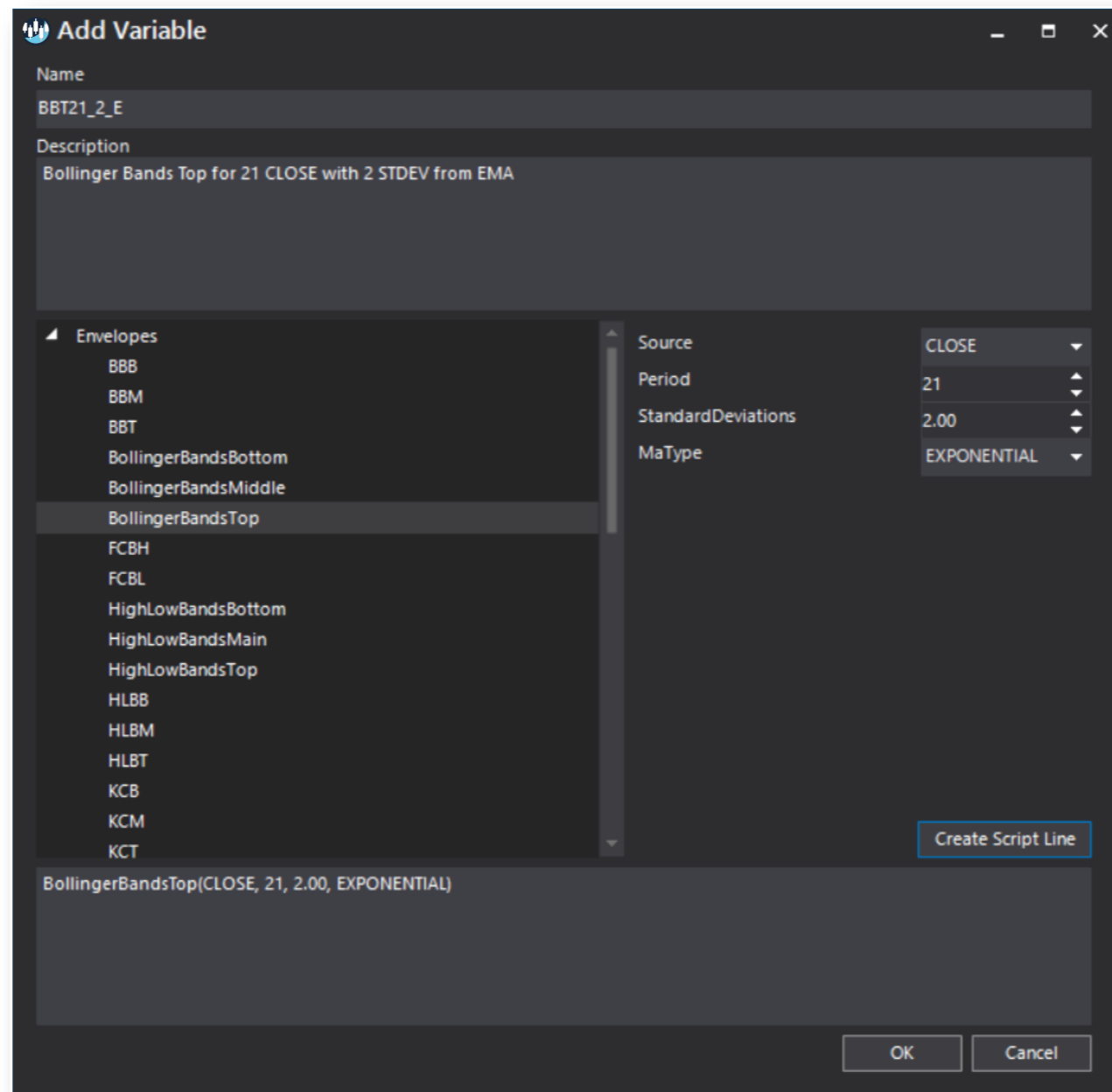


Sample Chart With Study





Quant Script™ Wizard Study Dialog





Quant Script™ Study Dialog

