

The STOCK MARKET

Planning for Success

Robert J. Bannon

Table Of Contents

- 01 WHERE DO YOU START?
- 02 WHAT NEXT?
- 04 TYPES OF INVESTORS
- 06 WHAT KIND OF INVESTOR ARE YOU?
- 07 STARTING SUCCESSFULLY
- 08 INVESTING AND EMOTIONS
- 10 TIPS FOR BUILDING A SUCCESSFUL PORTFOLIO



There is no shortage of investment information available these days. But this can present a problem. Asking questions about how to invest, where to invest, and what to look for can bring you many answers from lots of different sources. The trouble is making your way through all the clutter to find relevant information that you can trust.

WHERE DO YOU START?

The big thing is, “invest in what you know.” If you are trying to evaluate a company, make sure you know what it does, what it produces, and how it works. They often questioned Warren Buffett about why he did not invest in technology during the dot-com boom. His answer was simple. If you don’t know the business model, what the company does on a day-to-day basis, or how it generates revenue now and in the future, then stay away from it. The simple adage is, if you don’t understand it, don’t buy it. He has followed this rule for decades and has done rather well with it.

Start by looking at industries you are familiar with. It could be as simple as the industry you currently or previously worked in. Once you have a list of companies that you are interested in, you will need reliable information. Message boards, newsletters, financial news shows, and stock screeners are all good places to start looking. Stock screeners are especially useful, because besides finding ideas, you can narrow the search to fit your qualifications. Many people have had good luck using the screener at <http://finance.yahoo.com>, their financial institution or many other free and paid online stock market advisors. The technology sector poses a significant challenge, but if you are interested in something new, research, research, research.