

## Stock Market Information

Stock market investments present one way for an individual to make money even with a minimum investment. However, several items have to be weighed thoroughly before one pursues such an investment.

There are several options a potential investor has to buy stock, or partial ownership in a company. Probably the most popular is the buy-and-hold approach. Under this strategy, an investor simply holds on to shares regardless of stock price. The shares are eventually sold only after the individual has earned enough to buy a house, secure his/her education, or retire. One benefit to this strategy is that it entails few transaction charges because of the limited stock activity. Buy-and-hold investors are also able to pay lower capital gains taxes on their investment. Other approaches include short-term trading and direct investment plans

Investors must identify where their target stock is listed and its stock symbol to ease any transaction. Australian investors can now access US trading platforms. Microsoft is listed on the Nasdaq as MSFT, while General Electric and Hewlett-Packard are on the New York Stock Exchange under the symbols GE and HWP respectively. For some non-US companies, UK mobile phone giant Vodafone is listed on the London Stock Exchange as VOD.L, game-maker Nintendo has a Tokyo listing as 7974, and Germany's Siemens AG appears on the Frankfurt market as 723610.F.

First-time market investors will quickly realize how business and economic news influence stock price movement. A sales increase, higher earnings, lawsuits, a management revamp, and a new product or service are among internal factors that can drive share prices. On the other hand, the emergence of new market rivals, a change in government policy and inflation and other economic news are among external factors that can affect stocks.

Today's information technology-driven "new economy" has made it possible for some companies or particular industries to better take advantage of the market than their counterparts. First-time investors would do well to identify these "niche" players and consider their stock. However, such selection should still be backed up by research, particularly on a target company's management structure, expansion plans, product development and financial results.

Since stock market investors buy shares in a company expecting to gain, it is imperative then that they review the financial reports of their target companies to determine earnings growth potential. The Securities and Exchange Commission requires these annual disclosures, which are made on different months, as businesses generally do not cover the same calendar or fiscal year. Investors should also note that some companies, such as Sears and other retailers, often have higher earnings in quarters immediately following the holidays.

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