



Stock answers

What can a 22-year-old teach us about buying shares? Plenty, if she's Singapore Management University student Lee Chin Ser. The accountancy undergraduate and her two team mates recently beat 57 teams from all four local universities to win a stock analysis competition.

So what can we learn from this precocious remisier-to-be?

READ WIDELY ✓

Know consumer trends and the latest business news so you can put two and two together when picking a company to buy into. "For instance, if you know Sentosa is going to have an integrated resort soon, you find out which companies are building residential projects around that area," says Chin Ser. Developers, like Ho Bee, which have projects in that area are doing well on the Exchange.

WHAT'S BOOMING? ✓

Check out which industries are projected to grow over the next year. You don't even need to leave the comfort of your couch for this.

Chin Ser reads *The Straits Times*, *The Business Times* and the Singapore stock exchange website (www.sgx.com) every day for the latest movements in the financial world. "Chances are, companies in a booming industry will see their share prices climb," she says.

START SMALL ✓

Once you've seen which industries are doing well, pick one that you would like to focus on. Zero in on companies that have a strong track record and a good corporate strategy.

"For instance, if you read that McDonald's is revamping part of their menu to cater to a trend towards healthier eating, buy its stock. Its business strategy makes sense."

LOOK THROUGH STOCK ANALYST REPORTS ✓

It might be easier to get a stock broker to advise you on when to buy and sell shares, but if you want to gain a little experience, leaf through stock analyst reports available on websites like www.sgx.com and www.remisiers.org.

"Many of the major companies have analyst reports done that suggest a buying and selling price for the stock," she says.