Remisier keeps her holdings for the long haul

WORKING in the thick of the stock market, remisier Priscilla Lai does not need a bull market to tell her to invest in stocks.

She shops regularly and selectively for stocks — and tends to keep them for the long haul.

"Most of my monthly income is invested in shares," says Ms Lai, 30, who holds a bachelor's degree in business administration. "When stock prices have run up, I just sit back and grin. I sell only when prices have risen to exorbitant levels."

She declines to reveal her recent purchases.

But she will say that her clients who have profited most in recent times are those who invested in property and hotel stocks in the past six months.

Asked how retail investors are responding to the market's rise, she says there isn't widespread participation yet, which suggests it is still early days in a possible bull run.

"In the middle of past bull runs, clients would call remisiers early in the morning, during lunch breaks, and on weekends to place orders," she says.

That has not happened now, or at least not yet.

"But at present, there has been some noticeable pickup in activity among retail investors trading through the Internet as well as more enquiries on the market," she says.

Long-term investors are not rushing to sell, possibly holding out for better returns.

Full-time investor always does his homework

THE stock market has a way of rewarding those who are patient. Mr Kenneth Pang, 50, a full-time stock investor who was previously a property agent, can attest to that.

Stocks he bought over the past few years have made much headway — and he is still hanging on to them.

"My philosophy is to buy on good fundamentals and sit on the stocks until their values are realised," says Mr Pang, who studies financial statements intently and keeps track of corporate developments in the market.

He also makes it a point to attend annual general meetings to meet and chat with management.

He is fully invested currently, so he does not have significant spare cash for new purchases.

His holdings include Magnecomp, Singapore Petroleum Company and City Developments preference shares.

Another winner is Hotel Plaza, whose shares he bought nearly three years ago at about 40 cents a piece. One of the reasons he was attracted to it was the 5 per cent dividend yield back then.

Today, his investment has capital gains to boot, as the shares trade now at $1.15.

He is not one to worry about where the stock market as a whole is headed. "I just buy what's of good value and I don't care how the Straits Times Index performs."

Beginner turns to books for investment tips

AS A beginner investor, Mr Goh Chuan Yong considers himself lucky not to be suffering big losses on his share investments.

In the second half of last year, Mr Goh, 24, bought two stocks — Brilliant Manufacturing and China Flexible Packaging — to add to the Hongguo shares he already held.

Overall, he is about even now on his investments, which total several thousand dollars.

Two of the stocks, packaging materials manufacturer China Flexible and shoemaker Hongguo, are China plays — a sector that has seen a revival in the past fortnight.

Mr Goh, a finance firm executive, is hoping that a more buoyant market will lift his portfolio.

"There's more buzz in the market judging from news reports. Some of my friends are eager to start investing but don't know where to start."

He has turned to books, one of which, Contrarian Investing by Anthony Gallea and William Patalon, has inspired him so much he has adopted some of their stock selection criteria.

As an undergraduate, Mr Goh traded in and out of a few stocks such as Seloum, TPV, Chuan Hip and Hongguo, making a profit sometimes, losing during other times.

He also invested in unit trusts that were exposed to markets such as India, Thailand and Latin America. These have been profitable, he says.
Finance undergrad applies classroom fundamentals

INSIDE the classroom, Mr Chan Ying Jian, 23, a Singapore Management University (SMU) undergraduate, studies accountancy and finance.

Outside, he applies what he learns in the stock market with real money. He holds shares such as Ezra Holdings, StarHub, ComfortDelGro and SMRT Corp. In all, he is managing about $70,000 worth of shares, a portion of which belongs to his father and grandmother, he says.

The buoyant stock market is giving him some pretty gains. Recently, he booked a 10 per cent profit each on ST Engineering and MFS Tech shares, he says. Earlier, there was a 20 per cent profit on Noble Group — and so on.

Has he given himself a treat with the stock gains?

“No, and I have no intention to do so yet,” says Mr Chan, who is an SMU scholarship holder.

“I believe in reinvesting and generating greater returns. Having sold some of my holdings, I have about $30,000 cash which I’ll use to invest when the price is right.”

On his watch list are small and medium-sized stocks with growth potential in the offshore and marine sector, energy sector and the medical/pharmaceutical sector.

“He is studying their financials, and will invest in them if they are attractively priced.”

“The true investor should do his homework and form his own opinion of the stock that he invests in. I’m still at the beginning of a long learning curve and will continue to fine-tune my strategies.”

How does he find time to track the stock market? “I do so on campus almost every time when my laptop is turned on,” he says.

But there is a downside to such intimacy. “I’ve learnt over the past year that watching the market too closely actually causes one to become short-term oriented, and sell out too early,” he says.

Despite rising optimism about equities, he is not brashly plunging in.

“The cautious about entering at this point in time, and I won’t chase after those stocks that have already gone up significantly in the past month,” he says.

China companies, small-caps dominate his portfolio

MR PETER Yim, 57, a full-time investor, has now placed more of his money in China stocks and small stocks which have been unjustifiably bashed down in the past year or so.

“I’m accumulating them, especially China counters. Their business outlook has improved now that raw material prices have stabilised and other negative factors diminished,” says Mr Yim, who has made millions of dollars from stock investments in the past 30 years.

As for the Straits Times Index, which represents mainly blue-chip stocks, he reckons it is close to its fair value, so he is not considering buying such stocks.

Instead, in recent weeks, he bought a million shares each of food-related China companies United Food and Zhongqiao Jilong, he says.

He also invested in several hundred thousand shares of China Flexible Packaging, a company which makes plastic packaging material.

Then there was also China-based Southern Packaging, which makes packaging products for clients such as food giants Nestle and Wrigley.

In all, Mr Yim’s recent stock purchases have cost him a few hundred thousand dollars. Reflecting his optimism about his other investments, he has not sold any stocks for several months now, he says.

Mr Yim holds blue-chip stocks — such as ComfortDelGro — and shares of smaller companies which pay good dividends — such as companies in the food business, Tsit Wing and Food Junction.

Transport company ComfortDelGro is his biggest investment. In the firm’s latest annual report, Mr Yim is listed as owning 6.4 million shares with a current market value of more than $10 million.

He has little intention of selling his stocks.

“I buy into businesses. I’m not a stock punter,” he says.

He reckons the market is poised to rise higher because:

• Regional and world stock markets, such as those of the United States and Japan, are buoyant.

• Interest rate hikes are coming to an end.

• Oil prices could peak soon.

• Good Singapore corporate results are expected in the next month or two.

• And yes, election goodies are expected.