

Guide to the Very Best Equity Investment Research

Selecting high quality stocks requires sound research beforehand. The following four components should be analyzed prior to making any investment decision:

❖ **Economy – What is the overall health of the global economy?**

- Key Economic Indicators
 - GDP, GNP, Inflation, Interest Rates, Unemployment, Housing Starts, PPI, CPI
- Key economic events: Fed meetings, Fed actions
- Key resources
 - *Economist Intelligence Unit (EIU) (global news and data on 200+ countries)
 - Conference Board Analysis (<http://www.conference-board.org/>; insight and commentary on key economic indicators)
 - Federal reserve (<http://www.federalreserve.gov/default.htm>; updates on latest Fed actions)
 - Global Economic Calendar (www.dailyfx.com/calendar/; calendar of the latest economic events and indicators)
 - *Factiva (global news research)

❖ **Markets - What is the overall market direction?**

- Key resources
 - Bloomberg.com (www.bloomberg.com)
 - Quote.com (www.quote.com)
 - Yahoo.finance.com (<http://finance.yahoo.com/>)
 - Marketwatch.com (www.marketwatch.com/)

❖ **Sector & Industry Research – What's hot and what's not?**

- Identify industry leaders and the current political, economic, social, and technological changes.
- Key Resources:
 - *S&P NetAdvantage (industry surveys; guidelines for analyzing a company)
 - *IBIS World (industry overviews organized by NAICS code)
 - *Morningstar (detailed information on sector/industry performance)
 - *Mergent Horizon (detailed information on sector/industry performance)

❖ **Company Research – Who's hot and who's not?**

- Understand how a company is performing fundamentally (financials) and technically (stock price)
 - Fundamental Analysis – tells you what to buy
 - Analyze financial statements – income, balance sheet, and cash flow
 - Analyze key ratios and benchmarks - EPS and sales growth, cash flow, management, products and services
 - Technical Analysis – tells you when to buy
 - Price, volume, support, resistance, ownership, etc.
 - Key Resources:
 - * S&P NetAdvantage (industry surveys; guidelines for analyzing a company)
 - *Morningstar (professional-level investment research tools)
 - *Mergent Horizon (professional-level investment research tools)
 - *Thomson One (professional-level investment research tools)
 - *Investext (investment analyst reports)
 - Big Charts (www.bigcharts.marketwatch.com; interactive charts for technical analysis)
- News Research – what is the latest company news?

- Earnings announcements, stock splits, mergers, acquisitions, analyst reports, upgrades, downgrades, etc.
- Key Resources:
 - Factiva (global news research)
 - Thomson One (professional-level investment research tools)
 - Investext (investment analyst reports)
 - The Whisper Report (www.earningswhispers.com/, provides estimated earnings)
 - Whisper Number.com (http://whispernumber.com/wn_home.jsp, provides estimated earnings)

- ❖ Key Investment Resources in the WCL Stacks (on the second floor)
 - Rule the Freakin' Markets / Michael Paress HG6041.P297 2002
 - Rules of the Trade / David Nassar HG4515.95 N375 2001
 - How to Make Money in Stocks / William O'Neal HG4521 .O515 1991
 - Jesse Livermore: World's Greatest Stock Trader HG4928.5 L58 S655 2001
 - Stock Market Wizards: Interviews with America's Top Stock Traders / Jack D. Schwager HG4621.S286 2001
 - 24 essential lessons for investment success [electronic resource] / William J. O'Neil HG4521 .O5 2000eb

* Access through <http://wcl.library.tamu.edu/>