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Fundamental Analysis Part One

The investor has many tools at hand when making decisions about which stocks to buy. One of the most useful of these is fundamental analysis in examining key ratios, which show the worth of a stock and how a company is performing.

The goal of fundamental analysis is to determine how much money a company is making and what kind of earnings can be expected in the future. Although future earnings are always subject to interpretation, a good earning history creates confidence among investors. Stock prices increase and dividends may also be paid out.

Companies are required to report earnings on a regular basis and stock market analysts examine these figures to determine if a company is meeting its expected growth. If not, there is usually a downturn in the stock's price.

There are many tools available to help determine a company's earnings and its value on the stock market. Most of them rely on the financial statements provided by the company. Further fundamental analysis can be done to reveal details about the value of a company, including its competitive advantages and the ratio of ownership between management and outside investors.

Financial Statements

Every publicly traded company must publish regular financial statements. These statements are available in printed form or on the Internet. All statements must include an income statement, a balance sheet, an auditor's report, a statement of cash flow, a description of the business activities and the expected revenue for the coming year.

Auditor's Report

The auditor's report is one of the most important sections of the financial statement. The auditor is an independent Certified Public Accountant firm that examines the company's financial activities to determine if the financial statement is an accurate description of the earnings. The auditor's report contains the opinion of the auditor concerning the accuracy of the financial statement. A financial statement without an independent auditor's report is essentially worthless because it could contain misleading or inaccurate information. An auditor's report, although not a guarantee of accuracy, at least lends credibility to a financial statement.

Balance Sheet

Another important section of the financial statement is the balance sheet. This is a 'snapshot' as it were, of the financial condition of the company at a single point in time. The balance sheet shows the relationship between assets (cash, property and equipment), liabilities (debt) and

equity (retained earnings and stock).

Income Statement

The income statement shows information about the revenue, net income, and earnings per share over a period of time. The top line of the income statement shows the amount of income generated by sales, underneath which the costs incurred in doing business are deducted. The bottom line shows the net income (or loss) and the income per share.

Cash Flow

The statement of cash flow is similar to the income statement--it provides a picture of a company's performance over time. The cash flow statement, however, does not use accounting procedures such as depreciation; it is simply an indicator of how a company handles income and expenses. A statement of cash flow shows incoming and outgoing cash from sales, investments, and financing. It is a good indicator about how the company is run on a day-to-day basis, how it handles creditors and from where it receives growth capital.

Fundamental Analysis Part Two: Tools

Although the raw data of the Financial Statement has some useful information, much more can be understood about the value of a stock by applying a variety of tools to the financial data.

Earnings Per Share

The overall earnings of a company is not in itself a useful indicator of a stock's worth. Low earnings coupled with low outstanding shares can be more valuable than high earnings with a high number of outstanding shares. Earnings per share is much more useful information than earnings by itself. Earnings per share (EPS) is calculated by dividing the net earnings by the number of outstanding shares. For example: ABC company had net earnings of \$1 million and 100,000 outstanding shares for an EPS of 10 ($1,000,000 / 100,000 = 10$). This information is useful for comparing two companies in a certain industry but should not be the deciding factor when choosing stocks.

Price to Earning Ratio

The Price to Earning Ratio (P/E) shows the relationship between stock price and company earnings. It is calculated by dividing the share price by the Earnings per Share. In our example above of ABC company, the EPS is 10 so if it has a price per share of \$50 the P/E is 5 ($50 / 10 = 5$). The P/E tells you how much investors are willing to pay for that particular company's earnings. P/E's can be read in a variety of ways.

A high P/E could mean that the company is overpriced or it could mean that investors expect the company to continue to grow and generate profits. A low P/E could mean that investors are wary of the company or it could indicate a company that most investors have overlooked. Either way, further analysis is needed to determine the true value of a particular stock.

Price to Sales Ratio

When a company has no earnings, there are other tools available to help investors judge its worth. New companies in particular often have no earnings, but that does not mean they are bad investments. The Price to Sales ratio (P/S) is a useful tool for judging new companies. It is calculated by dividing the market cap (stock price times number of outstanding shares) by total revenues. An alternate method is to divide current share price by sales per share. P/S indicates the value the market places on sales. The lower the P/S the better the value.

Price to Book Ratio

Book value is determined by subtracting liabilities from assets. The value of a growing company will always be more than book value because of the potential for future revenue. The price to book ratio (P/B) is the value the market places on the book value of the company. It is calculated by dividing the current price per share by the book value per share (book value / number of outstanding shares). Companies with a low P/B are good value and are often sought after by long term investors who see the potential of such companies.

Dividend Yield

Some investors are looking for stocks that can maximize dividend income. Dividend yield is useful for determining the percentage return a company pays in the form of dividends. It is calculated by dividing the annual dividend per share by the stock's price per share. Usually it is the older, well-established companies that pay a higher percentage, and these companies also usually have a more consistent dividend history than younger companies.

Technical Analysis Part One

Technical analysis is the art and science of examining stock chart data and predicting future moves on the stock market. Investors who use this style of analysis are often unconcerned about the nature or value of the companies they trade stocks in. Their holdings are usually short-term and once their projected profit is reached they drop the stock.

The basis for technical analysis is the belief that stock prices move in predictable patterns. All the factors that influence price movement--company performance, the general state of the economy, natural disasters--are supposedly reflected in the stock market with great efficiency. This efficiency, coupled with historical trends produces movements that can be analyzed and applied to future stock market movements.

Technical analysis is not intended for long-term investments because fundamental information concerning a company's potential for growth is not taken into account. Trades must be entered and exited at precise times, so technical analysts need to spend a great deal of time watching market movements. Investors can take advantage of both upswings and downswings in price by going either long or short. Stop-loss orders limit losses in the event that the market does not move as expected.

There are many tools available to the technical analyst. Literally hundreds of stock patterns have been developed over time. Most of them, however, rely on the basic concepts of 'support' and 'resistance'. Support is the level that downward prices are expected to rise from, and Resistance is the level that upward prices are expected to reach before falling again. In other words, prices tend to bounce once they have hit support or resistance levels.

Charts

Technical analysis relies heavily on charts for tracking market movements. Bar charts are the most commonly used. They consist of vertical bars representing a particular time period ñ weekly, daily, hourly, or even by the minute. The top of each bar shows the highest price for the period, the bottom is the lowest price, and the small bar to the right is the opening price and the small bar to the left is the closing price. A great deal of information can be seen in glancing at bar charts. Long bars indicate a large price spread and the position of the sidebars shows whether the price rose or dropped and also the spread between opening and closing prices.

A variation on the bar chart is the candlestick chart. These charts use solid bodies to indicate the variation between opening and closing prices and the lines (shadows) that extend above and below the body indicate the highest and lowest prices respectively. Candlestick bodies are colored black or red if the closing price was lower than the previous period or white or green if the price closed higher.

Candlesticks form various shapes that can indicate market movement. A green body with short shadows is bullish ñ the stock opened near its low and closed near its high. Conversely, a red body with short shadows is bearish ñ the stock opened near the high and closed near the low. These are only two of the more than 20 patterns that can be formed by candlesticks.

Technical Analysis Part Two: Indicators and Patterns

When glancing at charts the untrained eye may simply see random movements from one day to the next. Trained analysts, however, see patterns that are used to predict future movements of stock prices. There are hundreds of different indicators and patterns that can be applied. There is no one single reliable indicator, but when taken into consideration with others, investors can be quite successful in predicting price movements.

Patterns

One of the most popular patterns is Cup and Handle. Prices start out relatively high then dip and come back up (the cup). They finally level out for a period (handle) before making a breakout ñ a sudden rise in price. Investors who buy on the handle can make good profits. Another popular pattern is Head and Shoulders. This is formed by a peak (first shoulder) followed by a dip and then a higher peak (the head) followed again by a dip and a rise (the second shoulder). This is taken to be a bearish pattern with prices to fall substantially after the second shoulder.

Indicators

Moving Average

The most popular indicator is the moving average. This shows the average price over a period of time. For a 30-day moving average you add the closing prices for each of the 30 days and divide by 30. The most common averages are 20, 30, 50, 100, and 200 days. Longer time spans are less affected by daily price fluctuations. A moving average is plotted as a line on a graph of price changes. When prices fall below the moving average they have a tendency to keep on falling. Conversely, when prices rise above the moving average they tend to keep on rising.

Relative Strength Index (RSI)

This indicator compares the number of days a stock finishes up with the number of days it finishes down. It is calculated for a certain time span--usually between 9 and 15 days. The average number of up days is divided by the average number of down days. This number is added to one and the result is used to divide 100. This number is subtracted from 100. The RSI has a range between 0 and 100. A RSI of 70 or above can indicate a stock which is overbought and due for a fall in price.

When the RSI falls below 30 the stock may be oversold and is a good time to buy. These numbers are not absolute ñ they can vary depending on whether the market is bullish or bearish. RSI charted over longer periods tend to show less extremes of movement. Looking at historical charts over a period of a year or so can give a good indicator of how a stock price moves in relation to its RSI.

Money Flow Index (MFI)

The RSI is calculated by following stock prices, but the Money Flow Index (MFI) takes into account the number of shares traded as well as the price. The range is from 0 to 100 and just like the RSI, an MFI of 70 is an indicator to sell and an MFI of 30 is an indicator to buy. Also like the RSI, when charted over longer periods of time the MFI can be more accurate as an indicator.

Bollinger Bands

This indicator is plotted as a grouping of 3 lines. The upper and lower lines are plotted according to market volatility. When the market is volatile the space between these lines widens and during times of less volatility the lines come closer together. The middle line is the simple moving average between the two outer lines (bands).

As prices move closer to the lower band the stronger the indication is that the stock is oversold ñ the price should soon rise. As prices rise to the higher band the stock becomes more overbought meaning prices should fall. Bollinger bands are often used by investors to confirm other indicators. The wise technical analyst will always use a number of indicators before making a decision to trade a particular stock.

Urgent: Reliable Information on Stock Market Investment

Investors should take full advantage of the unlimited opportunities offered in the stock market. The best way to invest in the stock market is to get hold of important and crucial information. An investor should know the company, stock, records and trends.

However, various sources of information out there proffered as stock market research made available by most commentators and analysts. The reliability of such information still remains doubtful, considering the subjectivity of the ideas submitted. This is not helpful to stock market investors.

How then does a stock market investor locate the vital information amidst the backdrop of biased claims?

Relevance of stock market investment research

Stock market research provides for basic and technical overview of the analysis made on the stock. A stock market investment research allows assessment of actual value of the company. It delves upon the records and history of the company. The research also aims to foresee the future trends of the stock. Serious investors will utilize the information to build an excellent system to establish the investment.

Conducting ordinary stock market investment research

In doing stock market investment research several factors are considered. Primarily the stocks are evaluated based on the following:

- Price
- Earnings
- Yearly Profits and Revenues
- Company Ranking
- Future Plans

The data gathered will then be evaluated. From the evaluation, a conclusion will be made, providing an assessment of the company's stock value and foreseeing the direction the company is bound to make.

There is a problem however in stock market research done by ordinary analysts and brokers. The research is susceptible of being influenced by bias and financial interests of those who evaluate the stocks and the market.

Stock Market Investment Newsletter Research

Making accessible the crucial information through stock market investment newsletter research is a welcome idea at this point.

Conducting investment analysis done by unbiased researchers will provide investors more reliable, insightful, and most of all, independent information about the stocks and the stock

market. Ideally the stock market investment newsletter research is conducted by researchers with no financial interests in the stocks or markets evaluated. The goal is to give viable and lucrative investment opportunities.

Stock market investors as such are empowered to make independent decisions. They can now get a clearer perspective of what is in store for them. The upside aspects of the specific industry will be carefully laid out before the investor.

Stock market investors do not only create wealth for themselves. The success would also redound to the benefit of the nation and of the public. This proves the relevance of stock market investment newsletter researches in helping investors make sound decisions.

Knowledge is Power: A Research on Stock Market Investment

A stock, a.k.a. share or equity, represents one's ownership of a company. For example, a person who has 100 shares of company A, out of its total of 1000 shares, means he owns 10% of the company. As part owner of a company, the shareholder earns, when the company makes profit. In the same way, if the company loses, so does the shareholder.

A stock market is a place (real or virtual) to trade (buy and sell) one's stocks. The New York Stock Exchange (NYSE, <http://www.nyse.com/home.html>) and the NASDAQ (<http://www.nasdaq.com>) are examples of real and virtual stock markets, respectively.

That's a brief overview. For a more comprehensive understanding, go to <http://www.investopedia.com>. For the stock market investment newbie, try to play a virtual game at <http://investsmart.coe.uga.edu/C001759/usmarket/usmarket.htm>, without spending dime. Students can practice stock trading at www.smgwww.org and www.stocksquest.com.

Then why invest in stocks? Because it earns 10% - 12%. This is higher than any other type of investment (savings account, bonds and the like). The way to earn is to sell your stock market investment at a higher price than when you bought it; the price difference is your profit. You can earn in 3 ways:

1. Buying stocks at IPO (Initial Public Offering). When companies decide to sell stocks, they will offer it at an initial price. After some time, with the company's good performance, the initial price increases, thus the earning;
2. Dividend. As a reward for investing in their company, the company may choose to give a portion of its earnings to its investors through dividends per share. However, this not a requirement for stock market investment, but purely voluntary;
3. Trading stocks. If you intend to invest in Company A, but did not catch its IPO, you can still do so by buying at the stock market. A broker, in your behalf, will bid for the best-priced stock of Company A, according to the price you want. The same happens, when selling. Compare and find the best broker at <http://www.fool.com/dbc/tables/compare.htm?ref=60broker>.

The key to success stock market investment is to know everything there is to know, about the company and the factors affect its performance. Consult the following:

The official website of the company. This should show the company's corporate set-up, financial health and organizational structure as well as historical data of their stock performance.

Investment websites such as Yahoo!Finance, MSN Central and DowJones's MarketWatch;

The news. To be aware of all the factors that may affect your investment, be updated with the news. For all you know, the weather forecast is the ace up your sleeve.

Knowledge is power and so it is in stock market investment. Invest successfully, with the power of knowledge!

Reporting the Stock Market

The stock market is a wonderful place to play with your money. A good investment can change your finances so drastically; you will have a hard time recognizing it yourself. At the same time, a small mistake can actually cost you more than you are willing to risk.

The problem is if you do not know which stocks to look for and how to approach these while limiting your risk, you would not be able to get considerable profits.

The best way of going about this is to watch out for stock market reports.

The stock market report contains technical and fundamental analysis used by brokers and professional investors. They use this to interpret the direction and valuation of equity markets or stocks.

The report provides a synopsis of the stock market from different points-of-view. They contain charts and texts of daily data of the performance of stocks in the market allowing traders to evaluate their stock portfolio.

They provide long-term views on certain stocks, predictions on how stocks will perform over the course of a day, weeks or even a year. They also provide reports on certain factors that will affect the performance of these stocks.

Stock market reports are provided by a lot of sources. Brokers provide their clients special reports of certain stocks currently in the market. This allows their clients to make decisions with regards to then buying and selling of stocks.

Certain brokerage services also provide these reports for subscription. Most of these contain stock picks for active trading or long-term investments. Other tips offered are entry and exit strategies, stock market commentaries, analysis, trading and investigation education.

Analysis of the stock market is also provided in business programs in television, cable, and newsprint as well as online portals.

Business programs in cable provide the most current and up-to-date information on stock performance. Reports are made on gainers and losers throughout the trading hours.

Online portals providing financial reports and stock market analysis are also good sources of stock performance information.

Much of the information you will need over the course of your trading experience will come from stock market reports. So it is best to choose a good source of these reports for yourself. Reputable institutions will provide you the best information in the market.

Keeping yourself well-informed with stock market reports will provide you the best chance of making the most out of your trading. It will give you a more definite and clear view on the stock market and enable you to make intelligent decisions with minimal risk.

The Use Different Stock Market Investment Tools in Making Investment Decisions

There are different stock market investment tools available today that help investors maximize the availability of information in their investment trading activities.

The Internet contains a wealth of information about different publicly listed companies in the US. There maybe websites that provide free research information although the information available maybe general knowledge in nature. There are also companies that publish in-depth research reports on listed companies although they may available on a per subscription basis which may be costly for a retail based investor to subscribe to. These research reports may cost from a hundred to a thousand dollars depending on the quality of the research reports being sold.

News articles, research reports and analyst reviews about companies are tools that provide fundamental information about a company. Fundamental information can be from current news events about a company's activities or analysis of their previously published financial reports. Investors can then make more fundamental research and analysis from this information to gather more data that aid him in his investing strategies.

There are also tools available today that provide management of raw data such as current stock quotes, historical price data or index performances. These tools can be bought from software companies and can be installed in PCs and these tools will be a big help in gathering, processing and analyzing of raw data available and come out with information that will be more useful to the investor.

From raw data containing the historical closing prices of specific companies, these can be run thru investment tools to come out with information such as historical price trend of one company as compared to an index of companies its being compared with or probably have a

report of the volume of stocks traded on these companies on a specific period of time. These reports generated thru these investment tools will help an investor in making more efficient trading strategies from the raw data initially available.

Some stock market investment tools are purchased from software companies and they would usually cost hundreds of dollars, which may not be practical for a small-scale individual investor. There are analysis tools available on the Internet from online stock market trading companies that they are accessible online and are made free to their clients. These tools are made available to their online investing clients as this also helps aid them in their trading strategies.

While the stock market tools, information and research products are available around the Internet, careful planning, data gathering and interpretation of analysis made from these tools are equally important to ensure successful trades and long term investment growth of an investors' portfolio.

Rocket Investing: Stock Market Research Advice

The stock market is not a black hole. People come out of it successful, business savvy and rich! Here are 5 things you must remember to conquer the investing black hole:

1. Be resourceful. The key to investing is knowledge: know anything and everything about the company and the factors affecting its performance. There are 2 excellent resources for your stock market investment:

- The newspaper. Get the most-up-to-date information on the country or the region's economy. These largely influence the health of the stock market. Aside from the economy, news on politics, society and weather can affect your stock market investment.
- The Internet. From Stock Market 101 to How-to-Be-the-next-Warren-Buffet (Forbes Magazine's 2nd richest man in the world), everything is in the Internet. Thank God for search engines: type a word and a host of information awaits! Make sure to visit the website of the company you intend to invest in, to get the official information on their corporate set-up, financial health, historical stock performance.

2. Be analytical. Information on the Internet can be overwhelming, but not all are accurate. Carefully scrutinize everything. The devil is in the details--or the lack of it. If you do not find credible information to support one claim, then move on to the next site. One quick tip: use your bookmarks when researching. Skim first through each link on the list and bookmark the ones that are useful, for later reading. Once you have 3 or 4 bookmarked, start your detailed stock market research.

3. Be strategic. You have the data, you know which ones to use, now decide: is this the right time to invest on this company? Use your data to calculate your next move. The goal is always to end up at the earning more than what you invested. At this point, reading expert advice, or better yet, paying for one, will definitely help.

4. Be patient. Hand-in-hand with being strategic is being patient. If you do not need the money immediately, it is best to let it hold for a longer time. Stock market investment gains average 10-12% over a 10-year period. Net, if you hold on to your stock for or about that long, chances are, you will realize such level of gains.

5. Be on your toes. At the extreme end of patience is complacency. A good investor is never complacent or passive. Watch out for IPO's that have a bullish outlook. Use digital tools (like SMS stock alerts or Blackberry breaking news) to get news as they happen. Do all the necessary moves before the bell rings!

Follow these 5 tips on stock market research and zoom your way to a profitable future!

Beating the Stock Market Trends

The stock market trend refers to the condition of the trading system. Because of the stock market's instability, it should be known that your stocks could win, could lose or could break even.

Since breaking the stock market system is complicated and has never been done. Here are some guidelines in following the trends of your stocks.

1) Research and planning. The stock market is a place where people should always be informed of their environment, the prices, and all the factors needed in determining the value of your stocks. In entering the market, you should be ready and well-planned. Simple information about the companies, indexes, and a competent trading system could help you move your stocks forward.

2) Think rationally. Although the stock market could provide you with significant income, it requires time and attention to details. When trading, you shouldn't expect to that you would automatically receive millions of dollars. Although it is a possibility, always remember that the stock market is never a hundred percent accurate all the time. So if you have an intention of quitting your day job, you should think again.

3) Street talk. This means that information by someone you know about the stock market trends could not be always reliable. Make sure that before believing in someone about the trading system, you should always research first. And after researching, always try to verify the facts before placing your money in danger.

4) Emotional burden. In the stock market, emotions are not needed your daily routine. You should be able to let go of your emotions and ego for you to succeed in what you need to do. Remember that when you enter the stock market, you should release your fears and greed from your mind. Replace these with discipline, patience and confidence in doing what you know you have to do. It is important that you control the negative side of your mind because having emotional burdens does not help you in the success of your trade.

5) Management. Planning how to manage your money and preventing it from risks is a vital key to trading success. Management is a serious aspect of the stock market. Before stepping into the stock market floor, you should be able to follow your steps in trading for you to keep the profits you have earned and make it grow.

6) Trading. You should know what to do in trading both a rising and falling market. When you know the facts in dealing with your stocks when the market falls, you could make more money and adjust smoothly with the trends.

Follow these tips and beat the stock market trends easily.

Identifying Trends in the Stock Market

If there was ever an industry that would benefit if psychics were real, it would be stock investing. Much of investors' and brokers' time is spent trying to predict what the market will do in the next few days to months. However, the process is not all speculative guessing. If one pays close attention, the market will actually indicate which way it is going. Learning to read the signs of the market takes a little time and patience but the rewards will be great.

The market itself can indicate how a stock will fare in the coming months. Looking at the overall direction of the market will tell you about future trends. Most, if not all, stocks move with the market. If the stock market is experience a period of growth (a bull market) most stocks will steadily grow. If the stock market is in a decline (a bear market) most stocks will slowly lose value.

There may be one-day bumps here and there but the general trend will follow the flow of the market at large. To determine the direction of the market only two pieces of information are needed; price and volume. Price refers to the trend of prices of stocks. Volume refers to the amount of stocks being traded. When these two figures are put together it reveals whether there are more sellers in the market or there are more buyers.

To determine price, investors and brokers use the big three indicators: the Dow Jones Index, the S & P 500 and the NASDAQ. These indicators help investors and brokers determine whether the market is going to continue in the current trend or reverse course.

To determine volume, investors and brokers look to the daily sales volume of the markets. The daily sales volume is easily obtained from several websites online.

If the market has experienced a high-volume day and prices are up (on the three indexes) then the market is up. When these conditions exist larger investors, such as institutional investors and mutual funds, will buy more and will boost the market further upwards.

Conversely, if the market had a high-volume day but prices on the indexes are down, this can indicate that more stocks are being sold. It is a sign of the bigger investors backing out of the stock market and can be a sign of a downward turn.

However, a high-volume, low-price day does not necessarily mean a turn for the worse. Often times if there are several days in a row with high-volume and high prices, there will be a day where the volume remains the same and the prices decrease. This trend is referred to as "profit taking" and is a result of investors taking the profits they built up in the last few days.

If there is a continual presence of down days in the market, it could be a sign of a stall or a reversal of course. Institutional investors and mutual funds buy and sell in large volume, which means they have the power to move the market. When they begin moving in a direction, the rest of the market follows.

In addition to these larger investors, there are also other factors that move the market. Inflation and interest rates can affect people's ability to invest in the stock market. War, terrorism and serious political unrest can cause negative turns in the stock market as well. The market is most often affected by uncertainty in the future.

If there is a chance something in the country might change, its effects are shown in the marketplace. Surprising news and unexpected events disturb the sense of control that the stock market has. If not watched carefully these unexpected events can send the market into a downward trend, or worse, a tailspin.

Watch for signs of the market-changing course and prepare yourself as best you can for other factors. If you need to sell a stock keep a watch on the company's earning reports, Fed meetings and other relatively predictable events that can take points from your stock. However, the bumps that occur on a daily basis will smooth over rather quickly and do not affect most investors.

How To Research Stocks

As with gamblers in Las Vegas so it is with stock investments, 'everybody's got a system'. The goal of research, however, is to make the activity a lot less like gambling and a lot more like investment.

For those without the time or temperament to carry out research themselves, there are full time research services available - for a fee, of course. Full-Service brokerages, such as Merrill Lynch and other large, well-established firms offer research as part of their value to clients.

But there are firms, both traditional and the newer online variety, that offer research without the advice available from the broker. Whether the research (and the advice) are worth what it costs is an ongoing debate.

For those who see research not as a necessary evil or time-consuming burden, but as part of the process or even an adventure, there are now more sources than could be used in a lifetime.

Starting with the source of data is always a safe bet, since it's the most unbiased, thoroughly audited information around. That source is the legally required filings of individual publicly traded companies.

In the U.S. those are 10-K's - more or less equivalent to lengthy annual reports - which can be viewed or downloaded from the SEC's website (www.sec.gov). (10-Q's are filed quarterly, 8-K's for significant financial changes in between.) Other countries have their equivalents, such as the Hong Kong Securities Regulatory Commission (HKSR).

In those reports you'll find recent (as of the filing date) financial data about income, expectations, competition and lines of business, current senior management listings and other information useful to those inclined toward Fundamental Analysis.

Quarterly reports and annual reports are sent automatically to share holders, even those with only one share (though they're usually traded in lots of 100 or more.) But, they're often available free by calling or emailing the Investment Relations department; after all, companies want you to buy their stock. They contain the same factual data as 10-K's and 10-Q's but occasionally wording differs, for those interested in subtle details.

For a modest annual or one-time fee, a blizzard of chart data is available that matches any produced by the in-house research departments of the large brokerages. (Sometimes they're produced by the same people.)

Newsletters are another potentially good source of information, though opinions about the market vary so widely that researching whom to believe takes as much time and care as researching individual stocks. Sometimes they're a few dollars per year, sometimes many hundreds - and price is no indicator of quality here.

One direct source of one kind of information are the in-person, on TV, or on the Internet interviews of company senior managers, usually by one or a panel of analysts.

CEOs, CFOs, and others often talk to the financial press and brokerage stock analysts to give their views on where their company stands, what challenges they face, and where they expect to be in the near to long-term future. Often they're asked about specific pending lawsuits or legislation and to assess its potential impact.

Of course, executives have an interest in painting a rosy picture, but analysts have often heard it all and are very adept at keeping the 'spin factor' to a minimum. If nothing else, it tells you what the executives want you to believe, which in itself is useful.

Even armed with nothing more than an inexpensive online trading account, the average investor has access to charts of historical and current data, future expectations, and a wide variety of statistical information which would keep even the most technically inclined busy for quite some time.

Be sure to use it all, or as much as you can absorb in the time available, when formulating a trading strategy. And remember, opinions 'on the street' are a dime a dozen - including mine.

You are invited to pass this report along to as many people as you like, provided that you make no changes to it and that you give it away for FREE.

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