

Reasons to buy the stocks

[Business](#), [Company](#)



It is a fact that mock portfolio allows investors to learn a great deal from the financial markets without risking real money. My first trades in virtual portfolio were made on large companies that had some of the highest trading volume on NYSE floor. These included popular companies such as Sprint Nextel (S), Coca Cola (KO), Google (GOOG), Tyco International (TYC), IBM, Apple and Noble Corporation (NE). Reasons to buy the stocks All of these seven stocks were bought between January 20 and 22nd.

The primary reason for buying these high volume stocks was to guard against widespread fluctuations in the financial market. Furthermore, it is to be noticed that in January, DOW was not exhibiting any set pattern and manoeuvred only in a tight range. To protect my stake it was prudent to only invest in large securities that are able to withstand huge financial impacts. Reaching 20th January, the market was in range but the overall trend was bearish which had a few market pundits speculating on the market hitting the bottom and waiting for a rebound.

Another basis for buying these stocks was to gain on any upward movement in the financial markets. The overall strategy was to buy the stocks and gain on such a momentum. Favourable Results Reason for buying hundred shares of Apple Computers was to benefit from a rebound that was imminent if the share prices were to hold at the break point around \$80. Although, risky it was expected that the earning report from Apple would provide the necessary momentum whereas the only option would be to sell the shares immediately and wait for the prices to come back.

On January 30th, Amazon (AMZN) stocks jumped up 10 percent in after-hour trading which was a direct result of the company's announcement of strong

sales growth. Since, the stock was already performing much better in contrast to others in the industry; more than 400 shares were bought at \$58.96 that proved a good move that saw the stock prices climbed slowly but gradually to a higher level. The stock was sold at a profit on March 12 after a hefty gain in a single day. In the same week, further 250 shares of IBM were bought that were bought after gaining good results from the 20 previous shares.

The IBM stock fared well during the recession and more shares were bought after a steady performance of the overall stock market that is though to provide the much needed thrust. Lessons learned on Loss Tyco International stock was interesting as it had been relatively unscathed by the industry dynamics and was able to maintain a steady run amid growing speculations by financial experts who saw it a real bargain. I chose to invest heavily in Tyco International due to its relative performance in comparison to other stocks in the market.

The calculated risk would have paid off when Citigroup upgraded the stock from hold to buy after valuation call but amid market noise the stock was sold next week (Analysts). On March 19, 4000 shares of highly volatile Voxware Inc. were bought after the stock price jumped from a low of \$. 10 to almost 400 % in a single day. This proved to be a costly mistake as the prices have since retreated to almost \$1. 65 a share. Such a decision was made without any major newsbreak or technical study and it seems to have hurt the entire portfolio.