

Financials sector

[Finance](#)



Financial sector Generally, financial sector encompasses a group of stocks including firms that offer financial services to retail and commercial customers. Financial sector comprises of investment funds, banks, real estate and insurance companies. Financial sector thrives best in low interest rate situations . A big segment of this sector derives its revenue from loans and mortgages which appreciate in value with the drop in interest rates. Moreover, when the business cycle is bullish, the financial sector profits from extra investments. Thus improved economic environments normally lead to increased capital projects as well as increased individual investing (Zacks, 2012).

When it comes to investing I normally prefer the buy and hold strategy. This kind of investing usually requires one to be patient and comprises of a holding period which basically refers to the expected or real period of time within which an investment is attributable to a specific investor.

Nevertheless, in a long position, the holding period means the time between a security's purchase and when it's sold. Every successful investor usually has a lot of patience and s/he is dedicated to buying and holding great growth securities.

Most of the time, the stocks that one buys may not do well for several weeks. Nonetheless, if one has the courage to stick with them, some are likely to turn out to be big winners. Eventually these big wins are the ones that can make all the difference to an investor (Thomsett, 2002). My hero in investing and one of the greatest investors of all times, Mr. Warren Buffet has proven this to be very effective with his Berkshire Hathaway Inc company whose stocks he has never sold since he bought them. The stocks have grown in value easily making me one of the richest men in the planet.

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Works cited

Michael, Thomsett. Buy, Sell, or Hold: Manage Your Portfolio for Maximum Gain. New York: John Wiley & Sons, Inc, 2002.

Mitch, Zacks. The Little Book of Stock Market Profits: The Best Strategies of All Time. New Jersey: John Wiley & Sons, Inc, 2012.