One Up On Wall Street

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Preparing to Invest

- If you are undecided (*What you expect to get out of stocks?, Whether you are short term or long term investor, and how you will react to sudden, unexpected, and severe drops in prices*) and lack conviction (*trust in corporates*), then you are a potential market victim, who abandons all hopes and reason at the worst moment and sells out at a loss. It is personal preparation, as much as knowledge and research, that distinguishes the successful stock picker from the chronic loser.

Ultimately, the investor's fate is neither decided by the stock market nor by the companies but by the investor himself.

The Making of a Stock Picker

- There's no such thing as a hereditary knack for picking stocks.
- Studying history and psychology is better preparation for the stock market than, say, studying statistics. Investing in stocks is an art, not a science, and people who have been trained to rigidly quantify everything have a big disadvantage.

Is This Gambling or What?

Not a gamble, if you are disciplined to stick to a system and know how to play the game!

- In the stocks, you’ve got the company’s growth on your side.
- Buy the right stocks at the wrong price and at the wrong time and you’ll suffer great losses.
- Buy the wrong stocks at the right time and you’ll suffer more of the same.
- ***An investment is simply a gamble in which you have managed to tilt the odds in your favor***.
- ***Six out of ten is all it takes to produce an enviable record on Wall Street***.
- People who succeed in the stock market also accept periodic losses, setbacks, and unexpected occurrences.
- Consistent winners raise their bet as their position strengthens , and they exit the game when odds are against them, while consistent losers hang on to the bitter end of every expensive pot, hoping for miracles and enjoying the thrill of defeat.

Passing the Mirror Test

- Only invest what you could afford to lose without that loss having any effect on your daily life in the foreseeable future.

- Personal qualities it takes to succeed in share market:
  - Patience, self-reliance, common sense, a tolerance for pain, open-mindedness, detachment, persistence, humility, flexibility, a willingness to do independent research, an equal willingness to admit to mistakes, and the ability to ignore general panic.
  - Ability to make decisions without perfect information. When things are clear, its too late to profit from them.
  - Discipline yourself to be able to resist your human nature and your “gut feelings”.
  - Stand by your stocks as long as the fundamental story of the company has not changed.

- Unwary investor passes in and out of 3 emotional states:
  - Concern: When market drops or economy falters and does not buy the stocks at bargain.
  - Complacency: Eventually buys at higher price and gets complacent as the price is going up instead of getting concerned enough to check the fundamentals.
  - Capitulation: When price falls below what he paid, he capitulates and sells off.

Is this a Good Market?
Please Don’t Ask

- No one can predict. Also, prediction is not needed to make money.
- Buy great companies that are undervalued and/or underappreciated.
- The market is ought to be irrelevant.
    - Warren- “The Stock Market doesn’t exist. It is there as a reference to see if anybody is offering to do anything foolish.”
- Having an EDGE will help you make money in stocks.
- In the stock market, one in the hand is worth ten in the bush.

I’ve Got It, I’ve Got It- What Is It?

The Six Categories

- Big companies make small move. Everything else being equal, you’ll do better with the smaller companies.
- Establish the size of the company relative to others in an industry and than place it into one of the SIX general categories:
  1. ***Slow Growers***: Large and aging. Future of all fast growers. Grows slightly faster than GDP. Pays Generous and Regular dividend.
  2. ***Stalwarts***: Grows at 1.5X to 2X of GDP. Buy price and timing matters a lot. Buy for 30 to 50 % gain and sell. They offer good protection to the portfolio during recession and hard times.
  3. ***Fast Growers***: Small, aggressive new enterprises. Grow at 20-25%. Land of 10-40-200 baggers. One or two of these can make a career in small portfolio. Not necessarily to be from a fast growing industry, better not. Look for the ones that have good balance sheet and are making substantial profits. The trick is to figure out when they’ll stop growing, and how much to pay for the growth. Stocks are beaten down when they turn in to slow growers.
  4. ***Cyclicals***: Business-sales & profits- expands and contracts in cycles. Auto, Airlines, tire companies, steel, Chemicals. Timing is everything in cyclical stocks. May lose quickly up to 50% if bought at wrong time.
  5. ***Asset Plays***: Something valuable. Pile of cash, real estate, tax-loss carry forward. All you need is patience.
  6. ***Turnarounds:*** Their Ups and Downs are least related to the general market. Battered, Depressed and often can barely drag themselves to bankruptcy. Make up lost ground very quickly. Stay away from the ones where the outcome is immeasurable.

The Perfect Stock, What a Deal!

13 most important favorable attributes in of a perfect company

1) IT SOUNDS DULL-OR, EVEN BETTER, RIDICULOUS.
2) IT DOES SOMETHING DULL.
3) IT DOES SOMETHING DISAGREEABLE.
4) IT'S A SPINOFF: Normally, parent company creates them with strong Balance Sheet to succeed as independent entity. Get more excited, if you see heavy insider buying among the new officers and directors.
5) THE INSTITUTIONS DON'T OWN IT, AND THE ANALYSTS DON'T FOLLOW IT : Or they abandoned it.
6) THE RUMORS ABOUND: IT'S INVOLVED WITH TOXIC WASTE AND/OR THE MAFIA.

The Perfect Stock, What a Deal!

13 most important favorable attributes in a perfect company

7. THERE'S SOMETHING DEPRESING ABOUT IT: Example, Does burials.

8) IT'S IN A NO-GROWTH INDUSTRY: Hot industry is chased by too many brilliant minds, Be in no-growth industry and increase market share. Biggest winners are developed here.

9) IT'S GOT A NICHE: Rock pit, exclusive franchise, brand names, patents etc.

10) PEOPLE HAVE TO KEEP BUYING IT: Product is not a fickle purchase.

11) IT'S A USER OF TECHNOCLOGY: Technology gets cheaper day by day.

12) THE INSIDERS ARE BUYERS: When Management owns stock, rewarding the shareholders becomes a first priority, whereas when management simply collects a paycheck, than increasing salaries becomes a first priority.

13) THE COMPANY IS BUYING BACK SHARES.

Stocks I'd Avoid

- ***Hottest stock in hottest industry***: Attracts a smart crowd that stay awake at night to figure out a way to get into the business as quickly as possible.
- ***The NEXT something***: Beware as the next of something almost never is.
- ***Avoid Diworseifications***: Makes a good strategy if the basic business is terrible else better be in related business, but in general acquisitions should make you nervous.
- ***Beware the Whisper stock***: Hypnotic effect, story with emotional appeal, great story but no substance. Tune in later when earnings are proven.
- ***Beware the middleman***: Sales of 20-25% to a single customer.
- ***Stock with the exciting name***.

Earnings, Earnings, Earnings

- A quick way to tell if a stock is overpriced is to compare the price line to the earning line.
- The P/E ratio can be thought of as the number of years it will take the company to earn back the amount of your initial investment. Compare Apple-to-Apple when looking at P/E ratio. That’s compare the P/E ratio among the companies within the same industry.
- Remember to avoid stocks with excessively high P/E ratios. With few exceptions, an extremely high P/E ratio is a handicap to a stock, in the same way that extra weight in the saddle is a handicap to a racehorse.
- P/E of the market is a good indicator to know the valuation of the market at large.
- Investors pay more for stocks when interest rates are low.
- If you can't predict the future earnings, at least find out how a company plan to increase it's earnings (reduce costs, raise prices, expand in to ne w markets, sell more of it's product in the old markets, or close, revitalize or sell a losing operation)

The Two-Minute Drill

- Before buying a stock, you should be able to give a two minute monologue that even a child can understand- Implies that you have a proper grasp of the situation.
- Ask about competition to find promising new stocks.
- Prefer companies with hard assets (Example-Hotel and Restaurant) instead of technology stocks – the minute you invest in an exciting technology stock, a more newer and exciting technology is brought out of somebody’s lab. But the prototypes of would be hotels and restaurants have to show up someplace- you can’t build 100 of them overnight.
- Doubling of stock in the previous year should not be bothersome as long as the P/E ratio relative to the growth rate still makes it a bargain.
- Let the company prove that it can make the cloning work at multiple places before you buy in. It’s never too late to invest in an unproven enterprise.

Getting the Facts

- Visit AGM’s to find useful contacts and get a feel of the company.
- When looking at the same sky, people in mature industries see clouds while people in immature industries see pie.
- Every few months it’s worthwhile to recheck the story. When you recheck, determine whether the company is moving from one phase to another.
- Three phases to a growth company’s life:
  - Startup Phase: Works out the kinks in the basic business. Riskiest for an investor.
  - Rapid Expansion Phase: Moves to new markets. Safest and Most money is made here.
  - Mature Phase/Saturation Phase: no easy way to continue to expand. Problematic as other ways have to be found to increase the earnings.

Some Famous Numbers

- % of Sales:
  - If interested in a company due to a certain product, check the % of revenue contributed by that product.
- P/E ratio:
  - (Long-Term ***earnings growth rate*** Plus ***Dividend Yield)***/P-E ratio < 1 : Poor; =1.5: OK; and >=2: Better.
- Cash Position: Cash per Share net of long term debt. As cash piles up in a company, speculation about what will become of it can tug at the stock price. See the Prior history of the company or parent company to see if the company has a tendency to blow the money on you-know-what. Provides floor to the stock price.
- Dividends:
  - If company is paying dividend from last 20-30 years, regularly raising it and have never skipped it, dividend puts a floor under the stock price.

Some Famous Numbers

- The Debt Factor:
  - Debt is the ONLY REAL number on the face of the balance sheet in case the company faces a crisis whereas all other numbers may not yield the face value whenever a company is up for a fire sale.
  - Importance of Debt factor multiples in case one is analyzing a company among turnarounds and troubled enterprises. In a crisis, It's the debt more than anything else that determines which companies will survive or go bankrupt.
  - Kinds of debt:
    - ***Bank Debt from Banks or Commercial Paper that is inter-company loans***: Worst kind from shareholders point of view as it's "Due-On-Call". At the first sign of trouble, lender can ask for Principal repayment. What if the borrower is unable to pay? Lender can strip off the company by pushing for bankruptcy, and nothing might be left for a shareholder.
    - ***Funded Debt***: BEST kind from shareholders point of view as principal cannot be called on until the due date, which might be after 10 or 20 years, as long as Interest payment is done even if debt is downgraded by rating agency. Ex,- Corporate bonds, with long maturity.
  - Know the Purpose for debt. What if company loads up debt but continues to pay dividend? Few important points are:
    - Better if debt is long-term, Investment Grade, and Non-Recourse (secured by specific asset) with staggered maturity.
    - Business with Steady Cash Flow can handle huge debt
    - Keep in an eye on Off Balance sheet debt such as Lease Obligations, Warranties Purchase Contract, and Unfunded Pension Plan.
  - Regarding amount, limit your investment to companies that does not have a debt factor of more than 0.5 to avoid reading and making sense of "N" types of variables about debt.

Some Famous Numbers

- Book Value:
  - BV as a number does not represent the true worth of a company. It might understate or overstate the value. You buy a company on the basis of BV and it's losing money in operations or accumulating inventory without any demand for the product at snowballing pace without any plans to stop/contain the same. One fine day, BV would vanish. On the other side, BV might contain hidden assets such as Land in Prime location which can be monetized or Brand/Patents etc. which are depreciated, until they disappear from the asset side of the BS or /tax breaks due to previous losses. So, read the AR's to know –What makes up the BV? More important to do so if you are buying the shares on the basis of BV.
- Inventories:
  - FIFO (First-In-First-Out) or LIFO(Last-In-First-Out) are the two basic accounting methods.
    On a lighter note, two other popular methods, really happens to lot of inventories, are GIGO(Garbage-In-Garbage-Out and FISH(First-In-Still-Here). See the trend of inventory w.r.t the sales. If the earnings of a company has been depressed and the inventories are beginning to be depleted, it's the first evidence that things have turned around.

Some Famous Numbers

- Cash Flow:
  - Look for companies with good Free Cash Flow (money left after normal capital spending). Usually, it’s a mundane company going nowhere with modest earnings, but a lot of free cash flow due to huge depreciation allowance for old equipment's that doesn’t need to be replaced in the immediate future. The company continues to enjoy tax breaks (the depreciation is tax deductible) as it spends as little as possible to modernize and renovate.
- Pension Plans:
  - Make sure that company does not have an overwhelming pension obligation that it can not meet. Specifically look to see if pension fund assets exceeded the vested benefit liabilities.

Some Famous Numbers

- Growth Rate:
  - Earnings is the only Growth rate that really counts. Do not confuse it with expansion. If profit margin is 10%, a 2% point rise in the profit margin means a 20% gain in the earnings.
  - If a business can raise prices without losing customers (cigarettes), you've got a terrific investment.
  - All else being equal, a 20% grower selling at 20 p/e is a much better buy than a 10% grower selling at 10 p/e.
    - See the earnings difference b/w the two companies in the below table. If at the end of 10 years, company A is sold at a PE of 15 (if not at 20 at which investor bought it initially), investor would get around $93 whereas Company B will fetch only $25.9 incase it is sold at the initial buy PE of 10.

	Company A	Company B
Earnings Growth rate	20.00%	10.00%
Base Year : EPS	$1.00	$1.00
Year 1 : EPS	$1.20	$1.10
Year 3 : EPS	$1.73	$1.33
Year 5 : EPS	$2.49	$1.61
Year 7 : EPS	$3.58	$1.95
Year 10 : EPS	$6.19	$2.59

Some Famous Numbers

- The Bottom Line/Net profit After tax:
  - Compare ***Pretax*** Profit Margin while comparing companies within the same industry. The lowest cost operator will have the highest ***Pretax*** Profit Margin and the better chance of survival if business conditions deteriorate.
  - Buy a stock with high Profit-Margin, if you plan to hold it for Long-Term and a relatively Low Profit-Margin in a successful turnaround.

	Company: A	Company: B
Pretax Margin	12%	2%
Price Cut (Slowdown)	10%	10%
Sales (-Drop)	-10%	-10%
Profit Margin Before Tax	2%	-8%
	Still Profitable (Better for Long-Term Hold)	Headed towards endangered species

	Status Quo	Business improves Sales Up: 10% Costs Up: 5%	Pretax Profit Jump	Remarks
	Company: A			
Sales	$100	$110		
Costs	$88	$92.40		
Pretax Profit	$12	$17.60	46.67%	Still Profitable (Better for Long-Term Hold)
	Company: B			
Sales	$100	$110		
Costs	$98	$102.90		
Pretax Profit	$2	$7.10	255.00%	Biggest beneficiary when business improves.

The Final Checklist

- General:
  - p/e ratio. Is it too high or low for this particular company and for similar companies in the same industry.
  - % of institutional ownership (Lower is Better).
  - Insiders or/and company is buying back it’s own shares (both are + signs).
  - Record of earnings growth to date- Sporadic or Consistent. Does not matter for Asset Play.
  - Strength of BS (D/E ratio) and it’s rated financial strength. Read reports of rating agencies.
  - Cash position: That’s the floor on the stock.
- Slow Growers:
  - As it’s bought only for dividends, see if the dividend is always paid and whether they are routinely raised.
  - % of earnings that are paid as dividend. Low % is better as that provides cushion in hard times.
- Asset Plays:
  - Value of assets? Any hidden assets?
  - Is Debt going to eat away all the assets?
  - Taking new debt, which will make the asset less valuable.
  - Trigger Point to unlock the Value?

The Final Checklist

- Stalwarts:
  - Big companies that are unlikely to go out of the business. Key issue is PRICE, and the p/e ratio will tell whether you are paying too much.
  - Possible Diworseifications that will impact the future earnings.
  - Long-Term Growth rate. Is the momentum same in recent years?
  - If you ***plan to hold the stock forever***, see ***how it fared during the previous recessions and market drops***.
- Cyclicals:
  - ***Closely watch the INVENTORIES***, and supply-demand relationship. Watch for new entrants into the market, which is usually a dangerous development.
  - Anticipate a ***shrinking p/e multiple over time as business recovers*** and investors look ahead to the end of the cycle, when peak earnings are achieved.
  - Know the cycle.

The Final Checklist

- Fast Growers:
  - Investigate whether the product that's supposed to enrich the company is a major contributor to the sales.
  - Recent earnings growth rate: 20 to 25%, Be wary of anything above 25%. Those 50% are usually found in hot industry.
  - Company has duplicated the success in more than one city or town.
  - Still has room to grow.
  - p/e ratio is at or near the Growth rate.
  - Expansion is speeding up or slowing down.
  - Few institutions own it and only a handful analysts have ever heard of it. BIG PLUS.

The Final Checklist

- Turnarounds:
  - Could it survive a raid by it’s creditors? Ho much cash and Debt the company has? Debt structure? How long it can operate while working out it’s problems without going bankrupt? Will it dilute equity and in turn company will turnaround but not the stock?
  - How much is left for shareholders if it’s already bankrupt?
  - How is the company supposed to be turning around?
  - Is the business coming back?
  - Are costs being cut?

Designing a Portfolio: How many stocks is too many?

- Stick to a strategy through good as well as bad years to maximize the long-term gains.
- Have a realistic return target. Unrealistic return target would lead to frustration, and the impatience causes one to abandon an investment at precisely the wrong moment.
  - Over a period of 3 to 5 years, returns should be better than Fixed Deposit or a benchmark such as nifty index (15% CAGR in la
- How many stocks is too many? In small portfolio, 3 to 10 stocks!
  - Best to own as many stocks as there are situations in which:
    - (a)- You have got an edge.
    - (b)- You have uncovered an exciting prospect that passes all the tests of research.
  - Do not diversify into unknown companies.
  - Not safe to own just one stock to avoid being victim of unforeseen circumstances.
  - Holding few companies provide the flexibility to rotate funds between them.
  - Spread money across several categories (Fast Growers, Slow Growers, Stalwarts, Turnaround, Cyclical).
  - Key is Knowledgeable buying. Do not buy a stalwart at twice it’s growth rate.

Designing a Portfolio: Spreading it Around

High Gain	Cyclical: 10-20% (Gain 10X, if adept at anticipating cycles)	Fast Growers: 30-40% & Turnarounds: Rest % (Potential 10 bagger)
Medium Gain	Stalwarts: 10-20% (Buy below growth rate)	
Low Gain	Slow Growers	Cyclical (lose 80-90%, if bad at anticipating cycles)
	Low Risk	High Risk

Designing a Portfolio: Selling

- Sell winners and hold losers or vice-versa are failed strategies as they are tied to the current movement of the stock price as an indicator of the company's fundamental value.
  - Better strategy is to rotate stocks depending upon what has happened to the price as it relates to the story.
  - ***Is it the company that is in the bad shape or the stock price?***

- Stalwarts: If it has gone up by 40% as per your initial expectations and nothing wonderful has happened to anticipate wonderful surprises ahead, sell at least partially and replace it with another stalwart that is attractively priced. Six 30% moves compounded equals 4+ bagger.

- Fast Growers: Keep as long as earnings grow, expansion continues and no impediments has come up. Recheck the story every few months as if you are hearing for the 1st time.

- Cyclicals &Turnarounds: Get out of the bets in which fundamentals are worse and Price has increased or vice-versa.

Silliest and Most Dangerous misconceptions about stock prices

- It can go much lower/***higher*** even if it’s gone down/***up*** this much already.
  - It can go up and high, if the story is still good and earnings keep growing ☺
- You can never tell when a stock has hit bottom. Bottom fishing will hook you instead of the fish.
  - Wait for the falling knife to settle and vibrate….Might take 2 to 3 years.
- What can I lose? It’s only Rs.3 a share
  - All of your investment.
- Eventually, this may never come back.
- It’s always the darkest before the Dawn.
  - Keep in mind that sometimes the darkest is followed by PITCH BLACK.
- When it Rebounds to Rs. 100, I will sell.
  - Better to sell and move on, if you are not confident enough in the company to buy more shares.
- Every stock, even conservative stocks, fluctuates as companies are dynamic and prospects change. Stay worried.

Silliest and Most Dangerous misconceptions about stock prices

- It’s taking too long for anything to ever happen: Hang around, if the reason of buy still exists. When fundamentals are promising, patience is often rewarded. EKG of a rock (price gone nowhere for several years) on a chart is strong hint that next major move may be up.
  - Good to load up if stock price is lackluster, but earnings are up steadily ☺. Keep in mind that something wonderful will begin to happen the day after you get rid of it (Post divestiture flourish).
- You did not lose a dime, if you did not buy a 10 bagger that others did.
- I missed that one, I will catch ***the next one***. The “next” rarely works.
  - Do not compound your error. In most case, it’s better to buy the “original good company” at higher price than the “next one” at a bargain price.
- The stock’s gone up, so I must be right, or The stock’s gone down, so I must be wrong
  - Do not confuse price with prospects. Most people don’t sell at higher prices as they convince themselves that the investment is worthwhile, and they hold onto the stock until the lower price convinces them that the investment is no good.

What’s exciting or perturbing about companies and the stock market?

- In the Big Picture, most of the current events are meaningless.
- Biggest winner emerge from the stocks you hold for 3 to 4 years.
- Small investors can calmly walk in the entrance when there is crowd at the exit, and walk out the exit when there is crowd at the entrance.
- You can wait for out-of-favor stocks to hit the crazy low prices, then buy them.
- It is more useful to devote time to analyze the companies than watching stock prices go up and down.
- It’s a real tragedy when you buy a stock that’s overpriced, the company is a big success, and still you do not make any money.
- Going in to cash would be getting out of market. Decide a certain amount that will always be invested in the stock market to save yourself a lot of mistimed moves and general agony.

Options, Futures and Shorts

- Like the alcoholic enticed back into gin bottle by the innocent tasting of the beer, the stock picker who invests in options as insurance often cannot help himself, and soon enough he's buying options for their own sake, and from there it's on to hedges, combinations, and straddles. He forgets that stock ever interested him in the first place. Instead of researching companies, he spends all his waking hours reading market-timer digests and worrying about head-and-shoulder patterns or Zigzag reversals. Worse, he loses all the money.
- When you buy a share of stock, you are contributing something to the growth of the country. In F&O markets, the money does not finance anything except the cars, planes and houses purchased by the brokers and handful of winners. It's a giant transfer payment from the unwary to the wary!!!
- 90% of amateur players lose.

Those odds are worse than the worst odds at the casino or at the racetrack.

The Long-term View

- Sometime in the next month, year, or three years, the market will decline sharply- a great time to buy the companies you like.
- Impossible to predict the direction of the market.
- To come out ahead you don’t have to be right all the time, or even a majority of the time.
- It takes years, not months, to produce big results. Biggest winners are always a surprise.
- Different categories of stocks have different risks and rewards.
- Serious money can be made by compounding a series of 20-30 % gains in stalwarts.
- In the long term, stock prices gravitate towards fundamentals.
- A company doing poorly can do worse.
- You are not right/wrong because price went up/down.

The Long-term View

- Stalwarts with heavy institutional owning and lots of wall street coverage that have outperformed the market and are overpriced are due for a rest or a decline.
- Buying a company with mediocre prospects just because the stock is cheap is a losing technique.
- Keep an open mind to new ideas.
- You don't have to "Kiss all the girls". You can do well even after missing many ten baggers.
- Save yourself a lot of extra work and money if you can't do better than the market/benchmark MF.
- Do not water the weeds and pluck the flowers.
- Add to your bet when favorable card turns up and Vice-Versa.
- Pruning and rotation on the basis of fundamentals can improve your results. When stocks are out of line with reality and better alternatives exist, sell them and switch to something else.
- If a stocks goes to zero, you lose everything you invested irrespective of it's price.

The Long-term View

- Monitor the story, even if the stock is a winner, to avoid complacency. Be careful. There is always something to worry about.
- A stock does not know that YOU own it.
- You don’t lose anything by not owning a successful stock.
- Companies do not grow for no reason, nor do the fast growers stay that way forever.
- Selling an outstanding fast grower because its stock seems slightly overpriced is a losing technique.
- A price drop in a good stock is only a tragedy if you sell at that price and never buy more. A price drop is an opportunity to load up on bargains from among your worst performers/laggards that show promise.
- ***If you can’t convince yourself “When I’m down 25%, I’m a buyer” and banish forever the fatal thought “When I’m down 25%, I’m a seller,” then you will never make a decent profit in stocks.***

The Best Time to Buy and Sell

- The best time to buy stocks will always be the day you've convinced yourself that you've found a solid merchandise at good price.
- Keep the wish-list ready. Two peculiar periods when great bargains are likely to be found:
  - First, bargains are available at around the Year end when people book losses for tax benefits and institutional investors get rid of losers to prune the portfolio for upcoming evaluations. Especially, low priced issues as they do not count as collateral for people who buy on credit in marginal accounts, and so do the institutional investors, who cannot hold them without violating one stricture or another. This selling begets more selling and drives perfectly good issues to crazy levels.
  - Second, during the collapses, drops, burps, hiccups and freefalls that occur in stock market every few years.
- When To Sell:
  - When you have found and bought the right stock, all evidence tells that it's going higher, and everything is working in your direction, then it's a shame if you sell.
  - It's normally harder to stick with a winning stock after the price goes up than it is to believe in it after the price goes down. ***REVIEW THE REASONS WHY YOU BOUGHT in the 1st PLACE.***

The Best Time to Buy and Sell

When to Really Sell?

Avoid THE DRUMBEAT EFFECT and

Focus on Fundamentals and reasons of buy.