Neil Knows

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Did you know Neil Armstrong once said, “Research is creating new knowledge.”

Being the first man on the moon he ought to know a lot about research.

Research is how individuals and businesses collect and use data. Accurate and current research helps make good decisions.

Research begins by asking the right questions.

One question should be “Should I buy stocks in this bearish market?”

Absolutely!

It's like a garage sale, going through the lot and finding that treasure. One of Isaac Newton’s laws is “what goes up must come down.” The reverse can be applied in this market. History shows that the market will go up.

I learned through the Stock Market Game to research stocks by looking at their Beta, growth chart, financial targets and mean recommendations. Price also comes into play when deciding how many shares you can afford.

So, what exactly are we looking for?

We want a company to have a Beta less than 1, showing less volatility. We want the 5-year growth chart to show positive growth. A company should meet or surpass its last four financial targets and mean recommendations. The experts think it should be between 1 and 2 -- that’s the “buy” area.

Using this data, I would suggest DECK, BLDR and UNH as good stocks for a long-term portfolio.

I would buy DECK, Deckers Outdoor Corporation, because the price per share is 536 dollars, the Beta is 0.76, it has hit its last 4 financial targets, the 5-year growth chart shows the stock price has jumped fourfold, and the mean recommendation is a strong 1.8. DECK stock performs better than its underlying earnings growth over the last five years, according to Simplywall.st. An investment five years ago would have increased by 409 percent today.

I would also buy BLDR, Builders FirstSource. Zacks.com, an investment research firm, said Builders FirstSource may be undervalued. Its Value Score of A indicates it would be a good pick for value investors. The financial health and growth prospects of BLDR demonstrate its potential to outperform the market. The price is $63, the Beta is a shaky 2.02, but the five-year growth chart shows a 300 percent price increase, it has hit its last 4 financial targets, and has a good mean recommendation of 1.8.

I would recommend buying UNH, UnitedHealth Group, the stock price is 536 dollars, the Beta is 0.76, the five-year growth chart showed more than a 200 percent increase, it has hit its last 4 financial targets, and it has a great mean recommendation of 1.8. Kody Kester with Motley Fool said UnitedHealth posted impressive revenue and earnings growth in its third quarter. The company’s dividend is exceptionally safe and likely to grow in the years ahead. The stock is a decent value that can make investors with a long-term mindset richer, and long term is what we are looking for.

I hope I continue to understand and use research, especially when buying stocks. Who knows I may be like Neil Armstrong and get my pilot license before I learn to drive (and a solid stock portfolio, too!).

References:

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