**Flexible Rules**

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“Supposing is good, but finding out is better.” Mark Twain, the famous author and humorist once said.

I bet he was talking about research.

Research is the way people find out knowledge they never knew before. The reason people research is because they are curious, or they’re trying to find something they need.

Back in the day, teachers had you do research in the library, but now, teachers want you to research everything on your Chromebook. They will say, “Ask Google.” Last year my teacher had us research stocks on our Chromebook, and I learned a lot. So now, this year, I am an expert…well close, when it comes to researching stocks.

Good stocks can be hard to find, but I will tell you how to find a good one. Even then no choice is a guaranteed winner.

First, look at the long-term performance outlook on Yahoo Finance. If it is red, then you shouldn’t pick that stock. If it is green, then it might be a good long-term stock. The next thing to look at when you’re researching stocks is the fair value bar. You can find the stock value at what my teacher calls “the rainbow bar.” It will say undervalued, fair value, or overvalued. If it says undervalued or fair value, the stock might be a good selection.

After that you need to look at the financial targets. The green dots mean that the targets have been surpassed for the quarter and blue means the targets were met.  If they were red, then the company fell short. A good choice will have surpassed or met at least three or its last four targets. The last piece of data to check is the mean recommendation rating--what experts think. If the rating is below 2.3, then it is good. If it is above 3, then maybe a new choice is in order.

Plus, always keep on eye on headlines. You’ll see why soon.

Using that information, I found three stocks that follow all those rules that I would purchase for the long term. The first stock I found was Google (GOOGL). It would be a good long-term investment. Google costs $97 a share. First let’s factor in that 20-to-1 stock split this summer – a good sign. The growth chart shows the stock has about doubled in price over the past five years. The value bar is near fair value. But it missed three of its last four quarterly financial targets – not good. But the experts see something, and my research rules are not carved in stone. The mean recommendation rating is 1.5, which means it is in between a strong buy and buy. Lastly the beta is a strong1.05, which means it is less volatile than the overall market.

Another stock that I found was Hyatt Hotels Corporation (H). It costs $95 a share. The short-, mid-, and long-term outlook is all up, which means the long-term outlook is good. They have made all their quarterly financial targets this year, except one. The mean recommendation rating is 2.4, which is a buy, albeit a weak buy. The Beta is respectable at 1.37. That means it is a fairly steady stock. Both short- and long-term moving averages are a positive forecast for the stock. The five-year growth chart shows minimal movement. However, Business Wire just reported that Hyatt Hotels continues its global growth of Independent Collection brands, including recent openings and a strong development pipeline through 2025. See, headlines.

 My third choice would be Unity Software (U). Unity Software runs just $34 a share. The beta is 1.77 and that means it is somewhat volatile than the rest of the market. The short-, mid-, and long-term performance outlooks are good. Unity has met or surpassed its last four quarterly earning targets and has a decent mean recommendation of 2.1. Again, going to the headlines – The Motley Fool says it could be time to buy Unity again.” Unity's stock still isn't cheap at 13 times this year's sales, but I believe it's finally worth nibbling on again. Its stock will remain volatile for the foreseeable future, but it could head higher over the long term as its core game engine continues to grow,” according to the investment firm.

Because of inflation, I would put about 20 percent of my investment funds in safe bonds like series 1 savings bonds. A series 1 savings bond is a low-risk bond that adjusts for inflation. It pays a fixed interest rate determined at the time of purchase. This bond is inflation-adjusted meaning that the treasury pays an additional interest rate that is put in twice a year in May and November.

So, what is researching?

Nobel Prize winner Albert Szent-Gyorgyi says, “Researching is to see what everybody else has seen, and to think what nobody else has thought.” And I think Unity and Hyatt, mixed with Google is a strong long-term portfolio.

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