



How I'd Find the Best Shares to Buy Before This Window of Opportunity Closes

Description

Finding the best shares to buy today may be a worthwhile use of an investor's time. It may allow them to capitalise on low valuations that may not be on offer permanently. Furthermore, it could mean that they purchase high-quality companies that have the capacity to deliver solid recoveries from their current price levels.

Through searching in unpopular sectors and analysing company fundamentals, it is possible for an investor to take advantage of the opportunities provided by the 2020 stock market crash. Over time, this could lead to impressive returns.

Finding the best shares in unpopular sectors

Searching in unpopular sectors could be a good starting point for an investor who is aiming to buy the best shares available today. Industries that are currently unfavoured by investors may contain a larger number of undervalued stocks. Their prices may reflect their short-term challenges, rather than their long-term financial prospects. As such, there may be opportunities to buy them while their prices do not account for their recovery potential.

Certainly, unpopular stocks and sectors can remain unfavoured among investors for an extended period of time. However, the track record of the global economy shows that it has always bounced back from its previous declines to post positive GDP figures. Therefore, the operating conditions of companies facing difficult near-term outlooks are likely to improve over the long run. This may help to justify higher valuations that result from improving financial performances and stronger investor sentiment.

Assessing company fundamentals

Analysing company updates may also help an investor to unearth the best shares to buy today. Assessing their financial position may paint an accurate picture of how they may fare in an uncertain economic period. Companies with low debt levels, strong cash flow and a solid financial position may

be better equipped to overcome weak operating conditions. This may mean that they can not only survive a difficult near-term outlook, but may even be able to gain market share at the expense of their weaker peers.

Certainly, even financially-sound businesses may prove to be disappointing investments in some cases. However, a company that has a solid financial foundation is likely to stand a much higher chance of benefitting from any economic recovery compared to its weaker sector peers. Therefore, the most appealing investments are likely to be those stocks with the financial means to overcome today's present economic challenges.

Long-term investment opportunities

Of course, even the best shares may fail to produce positive returns in the short run. The outlook for the economy is extremely difficult to predict at the present time. A number of factors, such as the coronavirus pandemic, could have a major impact on its outlook.

However, through buying financially-sound businesses at low prices, an investor can maximise their returns in the long run. They may be able to benefit from a likely upturn in economic conditions and investor sentiment in the coming years.

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