



1 Investing Hack That Feels Illegal to Know

Description

There's a really simple way to invest like a millionaire. It's to, well, invest *just like a millionaire*.

No, I don't mean putting millions into stocks. But I do mean checking out what millionaires are investing in and trying to invest in either the same stocks or at least similar ones.

But how on earth can you possibly get access to that kind of information?

It's public!

You can absolutely find out about insider trading. When chief executive officers, chief financial officers, or anyone involved in a company buys or sells a bunch of stocks from their company, you can learn about it after the fact. Websites like OpenInsider (U.S. based) and Canadian Insider provide you with charts to show you when there is a burst of share buys, and a burst of shares being sold.

Users can then look at the top officer purchases of the day. It then gives me a list of CEOs, the company, the stock ticker, the share price of the stock, and how many shares were purchased. Now, I would *not* recommend that you simply dive in on any of these stocks; you must do your research. But this provides users with an excellent jumping-off point to see why there are huge purchases or sales taking place.

In fact, you can narrow your search even further and look at specific stocks, time periods, and even the type of funds you wish to learn more about. This type of research can help expand your knowledge and must be public. You can learn about not just whether a stock is doing well and seek opportunities, but also whether it's time to get out if a CEO suddenly sells for a loss.

Put into action

If I look at top insider trading over the last while, one that stands out to me is **Superior Plus** ([TSX:SPB](#)). The \$2.53 billion energy and specialty chemical business recently saw a number of purchases in this

high six-digit range. On Apr. 16, 2021, there were five separate purchases made by direct owners, totalling 461,800 shares purchased in the company.

Now, an obvious reason for this is the rebound in the oil and gas sector. However, Canadian Insider states that part of this purchase comes from an acquisition in the public market. The company announced on Apr. 9, 2021, that it completed the sale of its specialty chemical business for \$725 million. The company is now a “pure-play energy distribution” company, according to a press release.

Management also stated it has several acquisitions lined up, so it looks like this recent purchase comes from a yet to be announced acquisition. So, here we see an excellent example of how you can learn about future opportunities before they even happen!

Foolish takeaway

Now, an acquisition is great and can definitely give you a short-term boost, but I do add a word of caution. Never invest if you plan on holding a stock short term. Make sure a company like Superior Plus is one you're wanting to hold onto for years. And, hey, it's a great stock!

The company has seen 72% growth in share price in the last year on top of 161% in the last decade and offers a 5% [dividend yield](#) as of writing. It's also a [cheap stock](#) at \$14.80, with 1.1 times sales and 2.7 times book value.

So, in the case of Superior Plus stock, I would definitely take a solid look, as it seems like an announcement could be imminent.

Using this hack in general should produce some fruit when used in conjunction with your investment research ... even though it feels illegal!

CATEGORY

1. Energy Stocks
2. Investing
3. Personal Finance

TICKERS GLOBAL

1. TSX:SPB (Superior Plus Corp.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
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