



Investing 101: How to Make Money From Top Stocks List

Description

Have you been investing in the share market using the list of the top stocks? But you are not satisfied with the returns or regret selling the share too early. It is because there is a way to read the top stocks and make money from them. Every month The Motley Fool Canada releases a [list](#) of top stock picks comprising 13 to 15 shares. How to make money from the list.

The logic behind the list of the top stocks

Every analyst, investor, or hedge fund has a different investment strategy. Warren Buffett is a dividend-loving value investor who has a liking for financials and consumer staples. Yet a large chunk of [his portfolio](#) value comes from information technology, and the reason behind it is the success of **Apple** and **Amazon**.

Buffett's strategy is to hold the share as long as the company's fundamentals are strong. But not all his stocks give returns. He has a fair share of failures and opportunity misses.

Buffett despises Bitcoin, gold, and airlines. Yet there are hedge funds that made money from the three sectors Buffett ignored. So what does this mean?

Analysts create top stock picks keeping in mind the company's fundamentals, future growth potential, market sentiments, and analysts' investment strategy. And after every stock pick analysts give their idea behind why they are bullish on the share.

How to make money from top stocks

If you want to make money from this list, determine your risk profile, asset allocation, and the core reason for investment. For instance, Dave is bullish on 5G technology, and he wants to get exposure in that but doesn't know which are the best stocks to buy.

The Motley Fool Canada team writes about theme-based, risk-based, goal-based stocks. The three 5G Canadian stocks to buy might include:

- **BCE** is investing in 5G and also giving dividends.
- **BlackBerry** will benefit from the increase in the internet of things (IoT) devices 5G infrastructure will enable.
- **Sierra Wireless** will benefit from the surge in demand for communication chips used in IoT devices.

This is a good list of stocks, but they will give good returns in the long term when their catalyst 5G reaches the peak. If you are looking for short-term returns or less risky dividend income, then there are top dividend shares to buy.

Understand your financial goal and then select the list of the top stocks on that basis. You can also follow some analysts if their thoughts match your investment style. Do not overcrowd your portfolio, or you may not be able to track your returns.

Buffett holds less than 50 shares even though he has a whole team of experts. You can start with five to eight shares and gradually increase it to 15-20, depending on how efficiently you can track the performance of those stocks.

My pick for June

My investing style is buying a value share at a discount and holding it for the long term. I also prefer making speculative bets with 3-4% of the portfolio amount, but hedge that risk with dividend and growth stocks.

June month marks the recovery from the pandemic. Hence, my stock pick for this month is **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)). The stock has surged 37.8% year to date as oil prices increase. This is a stock Buffett bought during the pandemic weakness, even when the company cut its dividend. Many oil companies consolidated or went bankrupt during the pandemic. But Suncor's large size and its importance to the Canadian economy made me bullish.

The share still has a 39% recovery upside as there is a significant demand for jet fuel coming from the pent-up air travel demand. Moreover, the dividend cut creates more room for Suncor to increase the dividend. There is a risk of a shift to renewable energy that could slow Suncor's revenue in the long term.

But that is not an immediate concern. It's time to enjoy the recovery rally and potential dividend growth.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:SU (Suncor Energy Inc.)

PARTNER-FEEDS

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

Category

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

Date

2025/07/07

Date Created

2021/06/18

Author

pujatayal

default watermark

default watermark