

## Managing Risk in the Stock Market

The financial investment market has told everyone to buy mutual funds because diversified portfolio is the safest way to invest and minimize risk. Yes, this is true and that will work for investors who have 45 to 50 years to reach their goal. But, most investors start late and have 15 to 20 years to reach their goal.

I know that I am a lone wolf screaming from the roof top that there is hope and you can reach your nest egg goal in 15 to 20 years while managing risk. You must accept the fact that you can't complete this accelerated journey alone by guessing, but don't have to be an expert either. You just need analytical tools to help you make informed decisions. I will be a universal expert to show you the possibilities and a list of potential 5 securities (stocks, crypto, and mutual funds) to choose from every year. Typical financial planners and general financial experts can't provide you the details that I provide because they don't have my financial analytics tools. They stay grounded with the same cookie cutter information geared for investors with a 45 to 50 year time horizon. You need to be knowledgeable to judge their rate of return advice and say the advice they are providing does not fit your time horizon because you need the money decades earlier.

Investing in stocks can be similar to gambling like a trip to Vegas (Day Trading or Option Trading). The saying for Vegas is "Lost Wages". Vegas is where you walk around with 100's of dollars in your pocket and call it entertainment as you give thousands of dollars away.

Your mindset dictates you being a successful or non-successful investor. Warren Buffet has an appropriate quote, "The stock market is a device for transferring money from the impatient to the patient."

There are approximately 4,000 stocks listed on major exchanges like NYSE and NADAQ. The list of stocks includes a mix of large-cap, mid-cap, and small-cap companies. Stock Analysis categorizes stocks into 11 sectors (Healthcare, Financial, Technology, Industrials, Consumer Discretionary, Materials, Communication Services, Real Estate, Energy, Consumer Staples, and Utilities). Picking 5 stocks from 4,000 choices is like trying to pick a needle in a hay stack or picking the winning numbers for the Lottery.

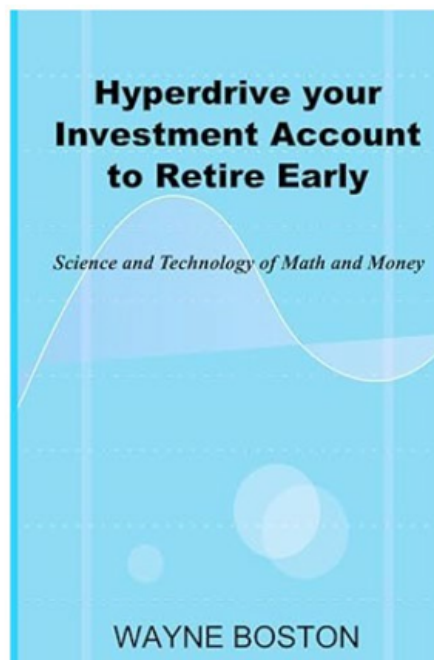
No one can be successful in this Stock Market environment without using analytics. Everyone uses analytics these days, but the assumptions that are chosen dictate the solution provided. My assumptions for my analytical tools are: (1) no second by second, or minute by minute, or hour by hour monitoring during the stock market day, but I use Friday closing price actuals for input data 2) reduce the monitoring of 4,000 stocks to a manageable 63 stocks (a mix of popular stocks and pairs of stocks from the 8 of the 11 sectors), and (3) use analytics to rank the 63 stocks for the highest Bubble up performance.

I publish a weekly Big Bank Newsletter every Sunday that includes (a) a Big Bank Boss Triple Point Reference Frame of equations (**my creation**) to provide additional detail surrounding the Now Price for the securities, (b) a historical 1 to 5 securities picks Year to Date Performance from 2025 to 2019 with an 12-YR Annualized Rate of return help identify which securities should be owned, (c) gives investors weekly insight into the highest 5 potential securities (**my creation**) in Stocks, Crypto, and Mutual Funds, (d) Incorporates a paint by numbers approach (**my creation**) that converts a stock market curve of price points into row data of Year to Date (YTD) growth performance with an overlay of colors that represent trending up and down with a total of 9 variations, (e) a week and month trending of Year-To-Date past performance (**my creation**), (f) discrete color triggers (**my creation**) are provided for buy now and potential sells (g) the 5 weekly winners and losers are provided, and (h) the upcoming quarterly report dates for stocks is provided.

My philosophy is to make the best decision based on the best information available. Your on-the-job 401k plan is a less optimized investment vehicle even though your company gives you free money up to 6% in some cases. I suggest opening a Charles Swab account in parallel to get higher rates of return that should outperform your on-the-job 401k plan. Also, whenever possible invest in a Roth IRA to eliminate paying taxes in the future.



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