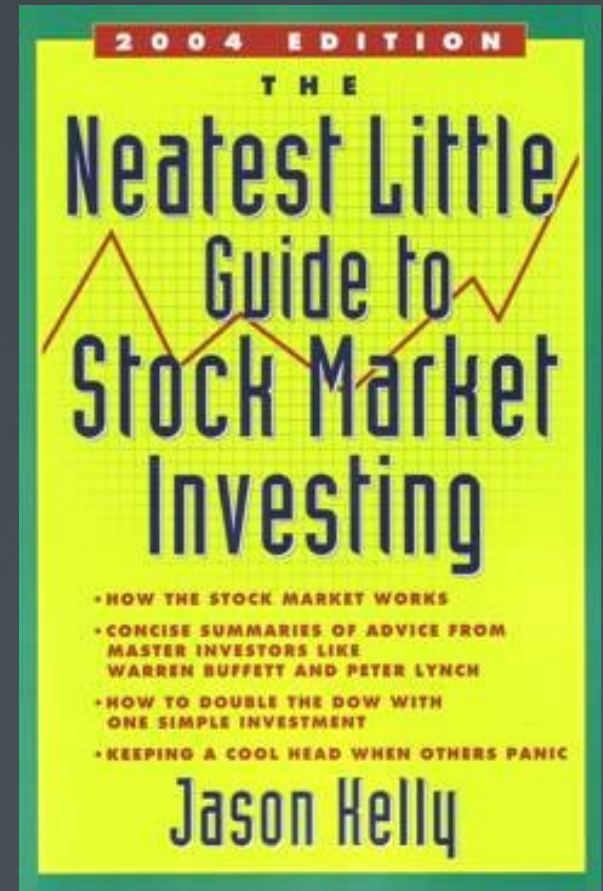


*The Neatest Little  
Guide To Stock  
Market Investing  
by Jason Kelly*

Reviewed by Craig



# Overview

- Think of it as "Stock Investing 101"
- One of several "Neatest Little Guide" finance books by the same author
- Covers a little bit of everything, but limited in scope to stock trading (no mutual funds, no bonds, no other types of investments)
- 5/5 average rating on Amazon with 169 reviews
- Bought this book without realizing Jason Kelly wrote a book specifically for mutual funds

# Examples of Topics Covered

- Why stocks are a good investment
- Differences between:
  - NYSE vs. AMEX vs. NASDAQ
  - Stock indexes (Dow, S&P, NASDAQ Composite)
  - Large Cap vs. Mid Cap vs. Small Cap
- Growth vs. value stocks
- Sample investment strategies
- Stock data and measurements
- Research materials
- Brokerage options

# Stock Measurements

- ~1 page descriptions of each stock measurement (e.g. P/E, P/B, P/S, EPS, ROE, Current Ratio, Quick Ratio, Profit Margin, Beta, Volume, Cash Flow, etc.)
- Includes at least one example per measurement (with real numbers!)
- How to evaluate growth vs. value stocks
- How to create and maintain an effective "stocks to watch" list using these measurements
- Author offers occasional absolute rules only to demonstrate his own investing style

# Research

- Very helpful descriptions of specific material to be found in:
  - Magazines (SmartMoney, Worth, Kiplinger's)
  - Newspapers (The Wall Street Journal, Investor's Business Daily, etc.)
  - Newsletters (Advisor's Digest, The Outlook, Morningstar StockInvestor, etc.)
  - Value Line Investment Survey, and a very detailed guide of how to make sense of it
  - Stock database software (Morningstar Principia, Power Investor)
  - Various websites

# Materials at Noel Wien Library

- Magazines:
  - Kiplinger's
  - Money
  - Forbes
  - Fortune
  - Business Week
- Newspapers:
  - Wall Street Journal
  - Investor's Business Daily
- - Value Line Investment Survey

# "The Masters"

- Profiles and investment styles of six "master investors," including:
  - Benjamin Graham (author of *The Intelligent Investor*, the "value investing bible")
  - Philip Fisher (author of *Common Stocks and Uncommon Profits*, the "growth investing bible")
  - Warren Buffett (Warren Buffet)
  - Peter Lynch (former manager of Fidelity Magellan Fund)
  - William O'Neil (founder of Investor's Business Daily)
  - Gary Pilgrim (manager of PBHG Growth mutual fund)
- This chapter will render you insane, as each person seems to contradict the last

# My Take: The Good

- Many examples used to explain tricky concepts
- Lots of practical/cautionary advice
  - Getting good research material at minimal cost
  - Stay away from full-service brokers
  - Use limit orders
  - Other small rules of thumb
- A research launch pad

# My Take: The Bad

- Too much reiteration
- Too much verbose common sense
- Organized in a somewhat arbitrary way
- No book index (very detailed table of contents, however)
- Sample investing strategies are tempting, but may have become too popular to work anymore

**Questions?**

