

Stock Fundamentals

Ability of a stock to make a good investment that is based on the characteristics inherent in the stock itself, and not on the demand for that stock or what another investor might pay for that stock. These characteristics are closely linked to the ability of the firm to conduct business successfully and to turn a consistent profit.

Exactly what are the “fundamentals” is not clearly defined. But the vast majority of investors would probably say that a stock with “good fundamentals” is a stock of an affordably priced firm that is consistently and reliably profitable, efficient, and financially sound.

How, exactly, to measure the fundamentals is also not clearly defined. But over the years, there have emerged a number of commonly accepted ratios that most investors rely on. Stocks that score well on these financial ratios are usually said to have “good fundamentals.” Stocks that score poorly are usually said to have “poor fundamentals.”

Most of these ratios have become commonly accepted because they have proven effective at revealing the insights they were designed to reveal. Consequently, these statistics usually have at least some predictive power and they are very useful to study and understand. If you would like to learn more about these ratios, read the section titled “Financial Ratio Analysis” on the How-to-Invest-in-Stocks-Page.

//Exactly what are the fundamentals is not clearly defined. But we feel the vast majority of investors
//would say that a stock with good fundamentals is a reasonably or economically priced stock of a
//strong firm that can conduct business in a successful way; furthermore, conducting business in a
//successful way means being consistently and reliably profitable, efficient and financially sound.

These characteristics are usually based on time-tested and well-established financial analysis because financial analysis is logical and irrefutable.

They have become the language in which investors speak.

Specifically

If you would like to see

Financial Ratios

Ability of a firm to conduct business successfully.

for all serious active investors to study.

See: Financial Ratio Analysis

Stock fundamentals refer to the inherent qu

Good stock fundamentals include a reasonably or economically priced stock of a strong firm that can conduct business in a successful way.

Ability to conduct business in a successful way

Be reasonably and even economically priced

These are usually based on financial analysis that are logical widely-accepted, rock-solid, unequivocal

Stocks that excel in these areas are said to have “good fundamentals”

A stock that excels on these statistics is said to have “good fundamentals”

How exactly to measure the fundamentals is even less clearly defined;

but over the years there have emerged a number of very enlightening ratios that have proven predictive proven effective at predicting the results they were intended to predict. however, we feel most investors would agree

that most investors study/covet and that have become associated with a firm’s fundamentals

Exactly what is meant by “fundamentals” is debatable. There are no exactly to measure the fundamentals. However we feel most investors would We feel most investors would agree that a stocks fundamentals include a firm to be profitable, efficient, financial sound and economically priced. If it has these things then its fundamentals are strong.

DuPont Analysis

(Also known as the DuPont Equation, Ratio

Succinct and yet Comprehensive