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[Longer term investing: buy Water.](#)

Posted in [Long term perspective](#) at 12:53 pm by ChineseCycles

While it is nice to buy a stock and sell it with a 10% profit after one month or even one week, this is usually not the chosen strategy of the most successful investors with many years of good track record.

One can “play” short term with part of the portfolio.

But it is better to hold long term positions (for several years) with the majority of your investments.

The only big question is: in which sectors to be (and stay)?

For example, people who bought gold at \$300/ounce some 6 or 7 years ago, have tripled their money as gold now trades at \$900/ounce. Anyone who bought the gold in year 2004, 2005 or even 2006, now sits on very nice profits.

This shows us another important point: when you are trying to get in for long term, it doesn't matter very much when you buy.

But of course, if you buy right after the market has declined for a few months, then you can get in at a better price.

Chinese Cycles can help us to find which sectors are more likely to outperform and be hot a few years from now. By getting in early you can profit handsomely.

Right now Metals are the hot sector that has gone up for many years.

The next to come is probably Water and Water related industries.

Rat year is the middle of Water related period, so this year will be a good time to get in on Water stocks and hold on for the next few years.

Water stocks can be expected to perform very well throughout the years 2010 - 2012 and may be very hot in 2013 when we will have a year of Water Snake (Snake is very hot, so it is the picture of Water - Hot).

Water industries are for example stocks directly related to drinking water and purification.

You can invest in individual companies like Pentair (ticker: [PNR](#) , current price around \$33.80), or chose a more diversified portfolio in an ETF of water growth stocks (ticker: [PHO](#) , current price around \$19.70).

Another industry I consider closely related to the Water element is nanotechnology.

You can profit from a coming boom in nanotech by investing in a nanotech ETF (ticker: [PXN](#) , current price around \$14.00)

This sector is more risky than the drinking water stocks, but the potential profits are also higher.

Happy trading.

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PS: at the time of this writing I do not own any of the above mentioned stocks or funds.

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