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Market downturn polarises investors

Long-term approach lacking

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The shift in financial markets is dividing Australian investors over their choice to remain focused on an existing long-term strategy or take advantage of investment opportunities, new research has found.

According to a report by Investment Trends and endgame communications, investors are more likely to snap up under-valued stocks than stick with their long-term investment strategies.

"The worrying thing is that while they [investors] recognise the importance of it [long-term strategies], there is a declining proportion who say they are just sticking to their long-term strategy," Investment Trends principal Mark Johnston said.

There are more investors looking to buy undervalued assets because they see them as cheap, Johnston said.

More are also saying they are going to accumulate cash and wait for things to settle down before investing again, he said.

The report also found three in 10 investors said their own internet research had the most significant influence on their investment decisions, with daily newspapers being the second.

Friends and family continue to be the primary influence on investors with 74 per cent talking to friends/family about the crisis and only 29 per cent talking to a financial planner.

However, Johnston said while the number of investors seeking financial advice from a professional was low, it had risen slightly.

"There is a slight elevation in the numbers talking to planners at the moment ... I think it is a little higher than normal, which is not surprising in response to the volatility."

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