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Preftrader

Preferred Share Intelligence in Today's Market Reality

FRIDAY, JULY 25, 2008

What is a pref? . . .

What is a pref, you may ask?

When stocks are up, and bonds are down, it's a bond,
when bonds are up, and stocks are down, it's a stock;

When the market rallies, it does not participate,
when markets are in decline, it is a leader;

It is called preferred,
but is only so to short-sellers;

It is rated P1,
but many just p on it;

It pays tax-friendly dividends,
but no one really cares;

It is issued at par,
but rarely trades above it;

It is superior to common stock,
but not much better than junk or ABC;

It should be the strength of your portfolio,
but it is your weakness;

It should trade with dignity,
but it trades like penny mining stocks;

It is exchange listed,
but might as well be over the counter;

For market-makers indulge,
in stifling your liquidity;

If you want to sleep well at night,
stay away from the preferred share.

The Preftrader Mantra

Never invest in mutual funds. Never listen to mutual fund managers. Believe in yourself.

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About Me

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Vatican City

Have you had enough of Preferred Share issuers diluting your investments? Want to find out why yield/quality analysis is no longer of importance to this category? Are you fed up with so-called Pref Share experts telling you that losing money on your investments is a good thing? This blog is intended to discuss the reality of preferred share investing today, and offer an alternative idea-sharing venue to those sites that prefer to gaze through rose colored glasses at their declining portfolios.

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Posted by ~~~~~ Preftrader ~~~~~ at 9:11 AM

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