

Steps and Trends for an investment



GONZÁLEZ-PAREJA, Rubí Guadalupe, GONZÁLEZ-PAREJA, Luis Rodrigo, GUERRERO-GARCÍA, Sylja Viridiana and SILVA-FRAGOSO, Joel

Abstract

Objectives

- Understand the importance of the investment environment and its impact on personal finances.
- Identify the different types of investment products.
- Describe the investment process as well as the type of investor profile.
- Analyze investor behavior based on market trends and changes.
- To know the approach of an investment strategy.

Methodology

Based on the research and consultation of resources obtained, the method used is a descriptive methodology, which allows us to apply the collection of information on investments and personal finances focused on understanding the steps and trends for an investment.

Contribution

To provide a tool of knowledge and practice to the public that does not know about the investment environment and the benefits it offers in the world of personal finance.

Introduction

Have you ever wondered why we work for money instead of money working for us?

In order to answer your question, let me welcome you to the world of investments. It is a space, where your money works to grow and become a source of funding.

How do we make this happen?

By investing in financial instruments and to achieve this the importance lies in identifying a good investment strategy, its formulation means to increase your income and thus obtain financial independence. Finally the money works for us! And that is its main advantage, investing is so simple and with a low capital, it is distinguished from other forms of financing by its easy investment in time, scope and easy follow-up.

Materials and methods

Personal Finance vs Investments

Are we really enemies of our money management?
The answer is no, to learn how to organize and improve our personal financial situation it will be necessary to analyze the expenses, income and savings we generate.
1) Let's start by recording inflows and outflows as well as savings in a personal budget; once we control our debts and assets, we decide what to do with it. In the first case we try to pay as quickly as possible, in the second we try to increase it, and this is where the role of investments comes in as an option to increase our money.



Figure 1

Investment steps

Once we have established what to do with our money, where to invest and know the level of risk we can accept, let's know the steps for an investment:

1. Establish your own goals (quantifiable) and objectives of investing your money, what are you looking to obtain?
2. Based on what you need, elaborate a plan: When will I invest? How much will I invest?
3. Evaluate the investment instruments. Based on the one that best suits what you are looking for.
4. Select the investments. Choose the investment that will give you the most benefits.
5. Create a diversified portfolio. If you are a moderate investor, it is always good to be prepared.

Investment trends

Are we good or bad investors?
The uncertainty of knowing if we are doing the right thing or not, will always be present, do not forget to make your own decisions, without listening to what others think.
Remember:

- 1) Take into account the trajectory that your investment portfolio takes, (highs and lows).
- 2) Review news and information of the chosen instrument (relevant news of the issuer and your environment).



Figure 2

Take into account the following tips:

Is it necessary to follow the opinion of other investors?

The opinion of others is not always the right one, always follow your own knowledge and experience without forgetting that an investment advisor 'is the expert'.

Know the financial instruments available in the market where you can place your investment.

Once you know in which instruments and markets you can invest, what do we do to increase them?

There are endless alternatives, but if we want the money to work for us, let's start by classifying where you can invest.

Identify what type of investor you are.

Once you know in which instruments and markets you can invest, it is time to know the level of risk you are willing to take in order to obtain lower or higher profits, let's classify them, in:

Results

To be successful in investments it is not enough to take your capital and invest in any financial market, as a result of the analysis of the steps for an investment and its trends, the following points are highlighted:

To take advantage of the obtained yields.

What will you do with them? You must decide if you should continue with all your investment strategy, change it or use them for personal purposes. Although looking for another investment instrument will always be a good option to continue increasing your capital.

Don't wait for "your time" to come

The right time to invest is now, do not take more time to think about it, and start acting now, remember that the value of money is lost and the more time you take, the more investment opportunities slip through your hands.

It is less risky not to put all your money in one investment

Have you ever heard that a month's worth of clothes on a single clothesline falls off?
The risk in investments is implicit, rescue your money and see how other markets are available to start trading in them. This idea will help you decrease the risk of losing.

Stay informed of changes in your investments

When your investments go down or up, it always has an explanation and usually, this comes from news, important events, that are related to your investment, be informed and secure your returns.

Take into account which broker is best suited to your needs.

There are several brokerage houses, such as: Kuspit, E-toro, Activer. Choose the one that gives you the best results and charges the lowest commission, each platform provides the investor with different functions, use them to your advantage.

Conclusions

The investment environment is so vast, but not as complex as it appears to be, its usefulness will always be to benefit both bidders and askers; once we understand the importance of following a good investment strategy, we can make better decisions aimed at achieving financial independence and success in personal finance. Remember that the future of your money depends on how well you manage it and direct its growth, we all would like to retire at 30, and what better way to do it if we do it by investing starting with these simple investment steps.

Another very important point is that risk in finance is an inherent aspect of this activity, and therefore it is of utmost importance to identify that it is not only involved in investments but also in personal bonds, and as mentioned at the beginning, the importance of investment lies in that we also take care of both aspects without forgetting that one depends on the other for its better functioning.

Future of research

Some of the challenges of this research are to provide the investor with a greater extent of information and advice that can be of help to increase personal benefits in the future, taking into account that the market is constantly changing and that globalization brings with it new forms of financing and means to do so.

Some of the future aspects of this research are:

- To know the fiscal implications that are implicit in an investment.
- To expand knowledge in the use of techniques of analysis of the behavior of your investment, by means of fundamental and technical analysis.
- Use of methods and theories to value an investment.
- Use of diverse financial technological tools that facilitate the investment process for the general public.

Acknowledgments

I thank and acknowledge the Polytechnic University of Tecámac, as well as the group of teachers in charge for their great work in directing our goals and dreams to a future of preparation and professional success. We also acknowledge the various agencies that carry out this type of programs to encourage research and academic training of students for their development in various areas of student interest.

References

1. BBVA. (2022, 27abril). *Estrategias de inversión: ¿Cuál es el ajuste más adecuado para tus objetivos como inversor?* BBVANOTICIAS. <https://www.bbva.com/es/estrategias-de-inversion-cual-se-ajusta-mas-a-tus-objetivos-como-inversor/>
2. CheolS., E. & Bruce G., R. (2007). *Administración financiera internacional* (4.ª ed.). McGraw-Hill Education.
3. Comisión Nacional de Mercado de Valores. (s. f.). *El mercado de valores y los productos de inversión Manual para universitarios*. CNMV. Recuperado de: <https://www.cnmv.es/DocPortal/Publicaciones/Guias/ManualUniversitarios.pdf>
4. CONDISIEF. (s. f.). *¿Cómo invertir en la bolsa?* https://www.condisief.gob.mx/documentos/95710_DINERO-INVERSION-INVERTIRENLABOLSA.pdf
5. CONDISIEF. (s. f.). *Inversión. Haz crecer tu dinero*. <https://www.gob.mx/condisief>
6. Díaz Mata, A. (2012). *Introducción al mercado bursátil. Invierte en la bolsa de valores* (2.ª ed.). McGraw-Hill Education, México
7. Grupo Caja de Ingenieros. (s. f.). *Guía de inversiones cómo ahorrar e invertir en tiempos de tipos de interés muy bajos y negativos* (2.ª ed.). Fundación Caja de Ingenieros. Recuperado de: https://www.caixaingenieros.com/documentos/20143/771264/Guia-de-inversiones_CAST_.pdf
8. Gitman, L. & Joehnk, M. (2009). *Fundamentos de inversiones* (10.ª ed.). Pearson Education México
9. Gitman, L. & Zutter J. (2012). *Principios de administración financiera* (12.ª ed.). Pearson educación, México.
10. Morales Castro, A. (s. f.). *INVERSIÓN. ANÁLISIS DE TEMAS DE ACTUALIDAD*. UNAM. <https://www.ruu.unam.mx/portal/recursos/ficha/8067/principios-basicos-para-realizar-inversiones-financieras-en-mexico>
11. OECD (2018). *Inversión. Análisis de temas de actualidad*. Esenciales OCDE/OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264300522-es>
12. Sánchez García, F. (2015). *ANÁLISIS BURSÁTIL. Análisis Técnico y Análisis Fundamental*. repositorio.comillas.edu. <https://repositorio.comillas.edu/jspui/bitstream/11531/6433/1/TFM000222.pdf>
13. Staff, F. (2022). *¿Qué es un portafolio de inversión y cómo armar uno*. Forbes México. <https://www.forbes.com.mx/que-es-un-portafolio-de-inversion-y-como-armar-uno/>
14. Tyson, E. (2008). *Finanzas personales para DUMMIES* (5.ª ed.). Wiley Publishing, Inc.
15. Van H. & Wachowicz M. (2010) *Fundamentos de Administración Financiera* (13.ª ed.). Pearson educación, México.

Contact: GONZÁLEZ-PAREJA, Rubí Guadalupe

E-mail: @uptecamac.edu.mx

Project website: <https://www.ecorfan.org>

