## **ADVFN Guide: 101 Ways to Pick Stock Market Winners**

by Clem Chambers

## Sample Tip: Look at What's Hot in the States

In classic efficient market hypothesis, information travels instantaneously and prices jump to hit their correct level immediately. You can see this at work when news appears. The price spikes almost immediately and rises in seconds to a new level of balance. However, watch the market long enough and you will see lags. Sometimes the lags last seconds, sometimes minutes and sometimes hours. Or sometimes even weeks, months and years. What's hot in the US today will be hot in the UK tomorrow.

A prime example of this was the dotcom bubble. The US Nasdaq market had been fizzing for two years with IPOs like Netscape before the UK market experienced the beginning of the frenzy. What was big in the US finally made it across the pond.

This has happened for decades. The US originates the big idea and at some point it gets to the UK. Now it doesn't take too much effort to watch US trends and, once you do, you will see tomorrow happening today in the US. Then you add that to your investment ideas and await your opportunity.

Over the past few years 'fracking' has been big news in the US... and it's starting to become big news in Europe. Meanwhile you can figure out now how to get in on the ground floor.

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