

ADVFN Guide: 101 Ways to Pick Stock Market Winners

by Clem Chambers

Sample Tip: Avoid Taxi Ads

There are also warning signs that indicate a stock is something you should steer clear of – or, if you already have it in your portfolio, consider offloading it sharpish. Or maybe the signs show a stock you could short.

For example, taxi ads.

Unlike publicity, all advertising is not good advertising. Taxi ads are as bad an investment omen as you can get.

For some reason companies doomed to failure love to advertise on and in taxis. It's not a particularly expensive way of advertising, at least in terms of the size of the cheque you have to write. Nonetheless, taxis seem to carry publicity for companies doomed to go down the pan.

This may be because companies with a lot of money to spend on a make or break launch end up shovelling it indiscriminately in all directions in an orgy of desperate spending. The taxi livery and seat ads are a final resort in this carpet bombing approach.

As a money Yoda might say: Throwing money around, a successful company does not make.

It's not the taxi's fault, as such, it's just that any company that is so desperate to push itself forwards with advertising, is probably in the process of throwing so much money out of the window that it will soon go broke.

Of the army of dotcom busts, few seemed able to resist the taxi and even today, the new brands come and go, never to return.

Keep your eye out for phone box advertising too; also a good signal for a short.

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