Contrarian Investing

© **2018** albert-learning.com

Vocabulary

Nadir : The lowest point; point of greatest adversity or despair.

Euphoria : A state of intense happiness and self-confidence.

Intrepid : Resolutely fearless; dauntless.

Doldrums : A state of inactivity or stagnation, as in business or art

© 2018 albert-learning.com

Introduction

Contrarian investing is an investment strategy that's characterised by buying and selling in distinction to the prevailing sentiment of the time.

This kind of an investor enters the market at a time when others feel negative regarding it and therefore the value is lower than its intrinsic value.

When there is an overarching pessimistic sentiment on a stock, it has the possibility of dropping down the price so low, that the downfalls and risks of the company's stock are overblown. Contrarian investors figure out these distressed stocks and buy them. Later they market them once the corporate recovers, therefore boosting the stock value.

© **2018** albert-learning.com