

# What about International stocks?

As a stock broker here in PNG, we often get asked “Can you buy and sell shares in Australian or other overseas stock markets?” The answer is “Yes”. In fact, a good part of our business comes from PNG Investors investing in overseas stock markets.

The fact is “it is a big world out there”. For the stock market investor it means there are plenty of opportunities to buy good stocks or good managed funds. Here in PNG, we have just fifteen listed securities and less than half of them are active. Globally, there are thousands and thousands of different stocks. That means more opportunity and more potential to make money. This article looks at the process of investing in overseas markets. You’ll see it’s a pretty easy thing to do.

## Reasons to invest in international stock markets

First and foremost, there must be a genuine reason for us to even look beyond PNG to invest. Actually, there are several good reasons:

- **Range** – international stock markets offer more choice than PNG stocks.
- **Diversification** – spreading your investments across different markets can reduce risk.
- **Opportunity** – investing in different markets can offer great profit potential should the investment perform well

There is also an issue of timing. Different countries will often have stock markets that are in different phases. For example, PNG stocks have seen some great gains over the last year or so and some might argue are due for a drop in price. On the other hand, many global stock markets have recently seen significant price corrections from highs. Some might argue this presents a good buying opportunity right now.

**“Buy low, sell high – not the other way around!”**

## So what should you buy?

Buying and selling shares should not be done without good information. BSP Capital provides regular research on stocks here in PNG and stocks on overseas stock markets in order to help you decide on what to buy. There are also some good third party research websites on the internet such as **Fat Prophets** ([www.fatprophets.com.au](http://www.fatprophets.com.au)) that offer buy and sell recommendations on specific international stocks.



## Shares versus Managed Funds

Generally speaking we recommend some care be taken when buying and selling individual shares on overseas stock markets. It's something that should only be done by those who understand what they are doing and are willing to devote time to follow the overseas stock markets on which they wish to buy stocks.

An alternative is to consider a managed fund. Managed funds offer an investment across a range of different stocks without a huge outlay in capital. They work by grouping investors' funds together and investing in the market based on a certain investment approach.

The real advantage of a managed fund is that for only a small outlay, the investor has access to a range of different markets that may normally be available only to the professional.

## Type of Managed Funds

There are all sorts of managed funds available to the retail investor. A fund manager will create a fund based on the demand from customers and market opportunities. There are:

- Funds that invest in specific countries only.
- Funds that invest in high dividend paying stocks.
- Funds that trade foreign exchange or commodities.
- Funds that spread their investment across many markets.

There are thousands of funds available around the world and choosing one can be just as hard as choosing individual stocks.



## How to invest

For investing in overseas shares, the process is very simple. You'll need an account with BSP Capital and an idea of what to buy. Accounts can be set up online or by calling us.

For investing in funds, join our mailing list at [www.bsp-capital.com](http://www.bsp-capital.com) or speak with one of our advisers.

### Gheno Minia

Head of Equities and Dealing  
Bachelor of Business and Economics (UPNG)  
Graduate Diploma in Applied Finance (Kaplan)  
FINSIA – Associate  
Direct: +675 309 8521  
Mobile: 7190 8440  
Email: [gminia@bsp.com.pg](mailto:gminia@bsp.com.pg)

### Llewellyn Muriki

Equities Dealer  
Bachelor of Business Management (DWU)  
FINSIA – Associate  
Direct: +675 309 8514  
Mobile: 7190 8442  
Email: [lmuriki@bsp.com.pg](mailto:lmuriki@bsp.com.pg)

### Phoebe Endose

Equities Dealer  
Bachelor of Technology in Land Studies (PNG UOT)  
Direct: +675 309 8511  
Email: [pendose@bsp.com.pg](mailto:pendose@bsp.com.pg)

### Salaniet Mathew

Equities Dealer  
Bachelor of Economics (UPNG)  
Direct: +675 309 8531  
Email: [smathew@bsp.com.pg](mailto:smathew@bsp.com.pg)

### Willie Konga

Manager, Funds Management  
Bachelor of Business Management (UPNG)  
Direct: +675 309 8513  
Mobile: 7190 8358  
Email: [wkonga@bsp.com.pg](mailto:wkonga@bsp.com.pg)

### Marie Sourimant

Senior Fixed Interest Dealer  
Qualifications in Banking, and Finance and Economics  
FINSIA – Associate  
Direct: +675 309 8530  
Email: [msourimant@bsp.com.pg](mailto:msourimant@bsp.com.pg)

### Fane Kommas

Senior Portfolio Officer  
Bachelor of Business Management (UPNG)  
Direct: +675 309 8543  
Mobile: 7090 5614  
Email: [fkomas@bsp.com.pg](mailto:fkomas@bsp.com.pg)

All advice and education content is of the nature of general information only and neither purports nor intends to be advice specifically designed for you. No consideration has been given or will be given to the individual investment objectives, financial situation or needs of any particular person. The decision to invest or trade and the method selected is a personal decision and involves an inherent level of risk. Not all risks can be or will be explained in the material.

