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### Undergrads are hopping on investing bandwagon amid the thriving stock market

► Leong Chan Teik

UNDERGRADUATES bitten by the investment bug amid a booming stock market are making their first forays into share buying – in between classes, at the canteen or even during class.

Record numbers of students have joined investment clubs on campus and are packing investment talks.

And yes, they are making money – a few hundred dollars here, a few thousand there. It's enough to buy a new cellphone or pay for a weekend getaway in the region.

That may not sound like a great deal but it's a rare student who has a big pile of money for investing.

One is Mr Chen Jianwen, a 23-year-old honours year business administration student at the National University of Singapore (NUS).

He has built up an investment stash from past Chinese New Year hongbaos, his pay as an officer during national service and part-time jobs.

With gains of 10 per cent to 15 per cent a year on average in the past three years, his portfolio has grown to around \$100,000, boosted by Singapore Exchange shares soaring from his purchase price of \$1.65 each to around \$7.

In a sign of the times, Singapore Management University (SMU) undergraduate Chan Ying Jian says: "Complimentary copies of The Business Times and Financial Times are almost always snapped up when they arrive on the campus."

Students zoom in on sections of the dailies that deal with stocks, says Mr Chan, 24.

He is president of the E.y.E Investment Interactive Club, whose membership has rocketed from about 80 students two years ago to 500 now.

"I see students logged on to trading portals even during lessons. In the canteen, hot stocks are hot topics."

At Nanyang Technological University (NTU), there are far more students who want to enrol in banking and finance modules than there are vacancies, says Mr Jacky Xu, president of the Investment Interactive Club.

The newbies at investing are hungry for knowledge on what to buy.

Last December, more than 900 students signed up for a talk by brokerage OCBC Securities, prompting the NUS Investment Group to hold two sessions back to back instead of turning half the crowd away.

Club president Chua Beng Huat says that another event – a "How To Be A Successful Investor" seminar by DBS Vickers Securities – was well-attended, with students sitting along the aisles and some standing at the back.

A few students have had an early start in investing.

During national service, Mr Hon Wei Fa, 22, an SMU business management and accountancy undergraduate, devoured articles on American billionaire investor Warren Buffett and his investing approach.

Thanks to that inspiration, he has doubled his profits in the past year, transforming his four-digit capital into five figures.

Mr Chen of NUS says: "I always tell friends: 'It's never too early to start investing. Neither must you be rich.'"

He learnt some harsh lessons early when an investment in United Food Holdings, a China food company, turned sour.

He quickened his learning of investing fundamentals, and was likewise inspired by the strategies of stock market maestros like Mr Buffett.

Mr Chen is a typical enthusiastic student-investor hailing from a finance-related course of studies.

But with the Straits Times Index soaring to as high as 3,200 points recently from around 2,000 points just a year ago, students from faculties such as the Arts and Media Design School, are joining the investing party too, notes Mr Xu of NTU.

### Honing investment skills

STUDENT investors are mostly males who have served national service and are over 21 – the age when they become eligible to open stock trading accounts. First-year women undergraduates are mostly 19.

For any student, the allure of making a quick buck tempts him to lock in profits quickly, instead of investing for the long haul.

At investment clubs, they learn more advanced investment skills which tend to lead to long-term investing.

SMU undergraduate Loh Wei, 21, says: "We discuss ideas about what makes a company great, or what valuation models are appropriate to value different types of companies."

Adds his club president, Mr Chan: "A year or two back, students were asking about basics such as how to open a trading account."

"Today, they ask more sophisticated stuff: 'Which technical analysis software do you use?' and 'What are some good books to learn how to do my own discounted cash-flow model?'"

Given such good grounding, some students will go on to become successful investors but, for now, they are not inclined to let their parents know of their market forays.

Mr He Shuhan, 23, a second-year NUS political science student, says: "My parents know nothing about investing. They, like many parents, believe it's gambling and thus will dissuade their children from investing."

Undergraduates like Mr He – who says he has made a profit from trading stocks, commodities futures, warrants and the like – think they know better.

"The main difference between Toto and stocks is that stocks give you a relatively higher chance of success. At least 30 per cent of the variables are in your control."

You improve your odds by "arming yourself with an abundance of investing knowledge".

"And train yourself to respond in the heat of a battle," he adds.

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