Commodities via futures, equities

This range of investment products should be considered when building a portfolio, says MINDY TAN

As I am 18 this year, I am now eligible to start investing in the stock market. The major demand for palm oil is here to stay, having substantially increased as a result of rising incomes and per capita consumption in Asia. However, if the weather conditions are not favorable, it can dictate the supply of palm oil. Today, we look at the different investment strategies you can adopt to capture the rise in commodity prices.

Agriculture markets and specifically, futures

As you read the title, you may think of the world of investing, to specific meat and grain prices. Hence, it is important to understand the factors that affect the price of agricultural commodities and how you can make investment decisions when they are favorable. Futures markets are used to hedge against price fluctuations and to allow businesses to lock in prices for their future production.

Energy markets and specifically, options

Energy markets are the most volatile commodity markets in the world, making them a challenging investment. In the last two years, the price of oil, soybean and wheat has fluctuated significantly. From a high of 110, oil has fallen to 80 cents a barrel. Soybean prices have soared from 35 to 80 cents per bushel. Wheat prices have also seen a similar pattern.

Q: What is your investment portfolio like?

A: As I grow older and have more financial responsibilities, I will move towards a more conservative investment strategy. I would consider having a diversified portfolio with a mix of stocks, bonds and real estate. I would also consider having a protection plan in place to ensure that my investments are protected in case of unforeseen events.

Q: What is your advice for someone who is just starting to invest?

A: Start investing early. Time is the most important factor in investing. Start investing as soon as possible. You can start with a small amount of money and gradually increase your investment over time.

Q: What is the best investment strategy?

A: The best investment strategy is the one that suits your risk profile and financial circumstances. It is important to consider your risk appetite, investment objective and financial goals when choosing an investment strategy.

Q: What is the future of the investment market like?

A: The future of the investment market is uncertain. However, it is important to remember that investing is a long-term strategy and you should not be overly concerned about short-term fluctuations in the market.

Q: What should you do if you are considering investing in an investment trust?

A: Before investing in an investment trust, it is important to consider the risks involved and whether the investment is suitable for your risk profile and financial circumstances.

Q: What is the best way to invest in stocks?

A: The best way to invest in stocks is to choose stocks that have a strong track record of growth and stability. It is important to diversify your portfolio and spread your investments across different sectors to reduce the risk of losing all your money.

Q: How do you calculate the returns on your investment?

A: The returns on your investment can be calculated using the formula: returns = (current value - initial value) / initial value * 100. It is important to consider the risks involved and whether the investment is suitable for your risk profile and financial circumstances.