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LA STAMPA "SPECIAL"

Banor: selecting carefully and choosing the right time are the way to get the best out of the stock market indices

The stock markets have gained considerably, and the risk of rising interest rates is once again causing volatility. The choice of stocks is therefore absolutely crucial. "In the present phase, it's not enough to take a passive approach, you need to seek out the right stocks that are still at a good price", explains Francesco Castelli, manager of Fixed Income at Banor Capital. On the morning of 11 April, at the meeting "The Good, the Bad and the Ugly of global markets. The adventures of a value investor for a fistful of dollars", he will talk in depth about the value strategy adopted by the firm since it was set up in 2010.

"It's an approach focused on selecting stocks with multiple opportunities, and on limiting volatility and generating alpha", he continues. "In other words, we have the same investment philosophy as the guru of Wall Street, Warren Buffett, but with the focus on the European and the Italian markets". The firm has a large research team that studies closely the companies it wants to invest in and holds meetings with their managers. Portfolios are built up on the basis of analyses of individual companies.

Selection isn't the whole story, however. "You also have to choose the right moment to buy", explains Castelli. "In practice, the idea is to buy at low prices". In the present phase, with indices rising without a break since 2008, valuations are already very high. "We expect there to be an adjustment", continues the expert. "The markets have overheated and at times like this it takes only a little tension to trigger sales".

Interest rate risk, as well as the threat of a trade war between the US and China, have already pushed the stock exchanges into the red in recent weeks. It's best to be cautious. "We advise our clients to wait so that they can take advantage of any adjustment", explains Castelli, who cites financial stocks among the ones he prefers. Commodities and associated sectors are also on the list of possible opportunities. They've performed poorly in recent months and typically tend to do well towards the end of the cycle.

However, it's important to safeguard a portfolio. The concepts of "the chain" and "counterattack" will be described from a stock market perspective on Wednesday, 11 April, when Beppe Bergomi, legendary captain of Inter and on Italy's World Cup winning team in 1982, is invited by Banor to explain why a sound defence is key to creating a winning attack strategy in sport as well.