

## Cherry Picking Stocks and Stock Scanning

Modern examples of cherry picking are all over the street. Investors follow large institutions and investors like Warren Buffett, who is known for quality trades. Cherry picking is simply following the trades of a profitable trader or institution that has a long history of trading success. For the cherry picker, trading structure is based around the proven techniques and strategies of other investors. Cherry picking provides easy profits in both bear and bull markets. Professional traders are quick to follow the advice of other professional traders.

### Following the Big Names

When firms like Berkshire Hathaway take positions, investors follow suit and invest in the same company with minimal research of their own. Rather than using their own investment techniques and strategies, they rely on the track records of other investors. When word hits that Warren Buffett made a sizeable investment in a company, various firms are quick to follow and rapidly push up prices. Day traders and swing traders also make large amounts of money by following the advice of TV personalities like Jim Cramer by entering a position based on his take, as other investors will likely follow suit.

### Save Time on Researching

Cherry picking can be used to make quality trades without using technical analysis or studying the business. Cherry picking saves time for the swing trader who would rather rely on the history of others than use their own algorithms to define worthy investments. A cherry picking strategy is usually profitable for swing traders in both the short and long terms; short-term volume pushes the stock prices up, while history's best investors rarely make terrible long-term trades.

Cherry picking can also be used much like momentum trading, or buying stocks that have already done very well. A quick look at a mutual fund prospectus will show the best performing stocks out of an already good list of investments. The cherry picker thinks that the stock is likely to do even better because the stock is doing the best out of stocks that were already heavily researched. Cherry picking is like picking a lawyer from Harvard, knowing they're the best in the business without checking out the credentials of the particular individual.

### Shop at the Bottom

In much the same way, cherry pickers also find stocks that have bottomed. Mutual funds only take quality trades that have been well researched and studied. If a stock has tanked since the fund made an investment, sentiment would be that the company is even more of a buy at its deflated price than it was when the fund invested. Swing traders and day traders find it easy to profit when the prices are already deflated and ready for a big run.

### About the Author

Leroy Rushing is an active, [professional day trader](#); trading coach; and author. He is the Founder and CEO of Trading EveryDay, a distinguished provider of [educational trading products](#) and services that are available worldwide. Trading EveryDay also has many [articles](#) with unique perspectives on day trading.

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