

Profitable INVESTING Tips

Stock Market Investing Tips, Techniques, and Resources



Foreign Direct Investment in China

Investors are looking outside of China for places to do business and **foreign direct investment in China** is falling off. According to the online *Wall Street Journal*

China attracted less foreign direct investment in May compared with a year ago, according to new figures, amid concerns among some foreign investors about less-favorable operating conditions in the world's second-largest economy.

The issues commonly cited as foreign direct investment in China decline are those which we have noted previously. China has a less than transparent economy. The rule of law is arbitrary to say the least as the old Communist Party holds on to power. As China's work force ages the price of labor is going up. And the long expected Chinese real estate bubble may still collapse leading to long term economic stagnation similar to what happened with Japan. Meanwhile, other nations are seeing more investment as **foreign direct investment in Chile** has nearly doubled in early 2014 versus the year before. According to *Forbes* online

Foreign direct investment in Chile rose 82% in January to April versus the same period of 2013, according to the Chilean central bank.

How Can You Short China?

If you believe that a stock is going down you can short it. How can you short China? You can certainly invest elsewhere but is there a way that you can profit if the Chinese economy tapers off as investment goes elsewhere? You can buy and sell Chinese stocks on American stock exchanges using American Depositary Receipts. Level I ADRs are subject to the same rules as US stocks in terms of reporting and transparency requirements. If you believe that one of these stocks may fall substantially in price you might consider buying put options on that stock, wait for the hammer to fall and then cash out.

Fundamental Analysis of Business Investment Opportunities

How to evaluate a country for investment is to start with reliable sources of information such as the World Bank and by all means visit the country in question. The World Bank is a repository of excellent information regarding investing offshore. Whether you are contemplating foreign direct investment or buying stocks via ADRs, the World Bank has very useful information to help evaluate a country for investment. A useful page of results from the World Bank business project is the ease of doing business index page which ranks nations from 1 to 189 for a composite of factors that make doing business easy or difficult. Ease of doing business ranks economies from 1 to 189, with first place being the best. A high ranking (a low numerical rank) means that the regulatory environment is conducive to

business operation. The index averages the country's percentile rankings on 10 topics covered in the World Bank's Doing Business. The ranking on each topic is the simple average of the percentile rankings on its component indicators.

The Likely Case

Foreign direct investment in China has fallen off this month and may fall off more. But, the Chinese economy is not going to collapse. A more likely scenario is that the government will make changes sufficient to stay in power, increase investment at home and do things to decrease their reliance on exports. Foreign direct investment in China in the future will likely have more to do with selling to the Chinese than making things in China to sell to the world.

Educational Resources

**Click the links below to get your
FREE training materials.**

Free Weekly Investing Webinars

Don't miss these free training events!

<http://www.profitableinvestingtips.com/free-webinar>

Forex Conspiracy Report

Read every word of this report!

<http://www.forexconspiracyreport.com>

Get 12 Free Japanese Candlestick Videos

Includes training for all 12 major candlestick signals.

<http://www.candlestickforums.com>

Disclaimer: Trading and investing involves significant financial risk and is not suitable for everyone. No content on this document should be considered as financial, trading, or investing advice. All information is intended for educational purposes only.