

Value Stocks vs. Growth Stocks: Value Stocks: o Characteristics: Value stocks are shares of companies that are considered undervalued based on fundamental analysis, such as earnings, dividends, and book value. A low P/E ratio suggests that the stock may be undervalued relative to its earnings, while a low P/B ratio indicates potential undervaluation based on its book value. o Investor Focus: Investors in value stocks typically seek stable income and dividends. o Investor Focus: Investors in growth stocks are typically drawn to the potential for significant capital appreciation. These stocks may not offer immediate income in the form of dividends, but investors anticipate future value through the company's growth prospects.