JMEE
Journal of Marketing and Emerging Economics
| e-ISSN: 2792-4009 | www.openaccessjournals.eu | Volume:3 Issue:12

THE ART OF POST-IPO TRACKING: MAXIMIZING RETURNS AND MANAGING RISK

G'aniev Shaxriddin Vohidovich TMI professori

Xaydarov Asqarbek

INTERNATIONAL SCHOOL OF FINANCE TECHNOLOGY AND SCIENCE INSTITUTE"

dotsenti iqtisodiyot fanlari bo'yicha falsafa fanlari doktori (PhD).

Abstract

The journey of a company from its initial public offering (IPO) to becoming a publicly traded entity is a critical phase marked by excitement and challenges. However, the real test begins after the IPO, in the world of post-IPO tracking. This article delves into "The Art of Post-IPO Tracking," shedding light on strategies that help investors maximize returns while effectively managing risks. It involves vigilant monitoring of market conditions, a deep understanding of a company's financial health, and the ability to adapt to evolving circumstances. This article explores various tools and techniques available to investors, including fundamental analysis, technical indicators, and market sentiment analysis.

Keywords: *Stock market monitoring, diversification, risk-reward ratios, market sentiment analysis, investment success.*

Introduction. Post-IPO tracking encompasses a multifaceted approach that goes beyond merely buying shares at the IPO price. Managing risks is paramount in post-IPO tracking, and this article offers insights into diversification, stop-loss orders, and risk-reward ratios. It also emphasizes the importance of staying informed about regulatory changes and market trends that can impact investments.

By adopting a strategic and informed approach to post-IPO tracking, investors can increase the likelihood of achieving their financial goals while mitigating potential setbacks. This article serves as a valuable resource for anyone seeking to navigate the complexities of post-IPO investments successfully.

In the post-IPO landscape, the stakes are high, and investors must tread carefully. This period demands vigilant monitoring of market conditions, an intimate understanding of a company's financial well-being, and the agility to adapt to an ever-evolving landscape. Post-IPO tracking is, in essence, an art form that requires finesse and a multidimensional approach.

The primary goal of post-IPO tracking is twofold: maximizing returns while effectively managing risks. Investors aim to capitalize on the potential for significant gains that often follow an IPO, all while safeguarding their investments against potential downturns or unforeseen challenges. This delicate balancing act requires a combination of astute decision-making and a thorough understanding of the investment landscape.

One of the key advantages of post-IPO tracking is the potential for substantial returns on investment. Newly public companies often experience growth spurts, and investors who have positioned themselves wisely can reap the rewards. Additionally, the ability to participate in the early stages of a company's public journey can be exhilarating and financially rewarding.

However, post-IPO tracking is not without its challenges and disadvantages. Investments in newly public companies can be inherently risky, as they may lack a substantial track record of financial performance. Furthermore, market volatility can introduce uncertainties that make it challenging to predict short-term outcomes accurately.

Methods of Post-IPO Tracking:

To navigate this complex landscape effectively, investors employ an arsenal of tools and techniques. These include:

1. Fundamental Analysis: Scrutinizing a company's financial statements, competitive positioning, and growth prospects to make informed investment decisions.

2. Technical Indicators: Leveraging charts, graphs, and historical stock price data to identify trends and entry/exit points.

3. Market Sentiment Analysis: Monitoring news, social media, and market sentiment to gauge market perception and sentiment towards a particular stock.

4. Diversification: Spreading investments across different assets to mitigate risk and reduce exposure to individual stock fluctuations.

5. Risk-Reward Ratios: Calculating the potential return on investment against the level of risk associated with an investment, helping investors make balanced choices.

Post-IPO tracking can significantly contribute to the success of an IPO by providing ongoing support, investor confidence, and a positive market perception. Here are some ways in which post-IPO tracking can impact the success of an IPO, along with real-world examples:

1. Maintaining Transparency and Accountability: This involves being open and honest about a company's financial performance, strategies, and challenges. It includes regular reporting and communication with shareholders. After Facebook's IPO in 2012, the company continued to provide detailed quarterly financial reports and held investor conferences to address concerns and provide insights into its plans. This transparency helped rebuild trust among investors.
2. Staying Agile and Adapting to Market Changes: Companies must remain flexible and responsive to changing market dynamics and consumer preferences. This may involve pivoting business models or diversifying product offerings. Amazon initially started as an online bookstore but quickly expanded into various other product categories, showcasing its agility and adaptability in response to market changes.
3. Demonstrating Consistent Growth and Profitability: Companies must showcase a track record of sustainable revenue growth and profitability to maintain investor confidence. Google's consistent revenue growth and profitability post-IPO, driven by its dominance in the online search advertising market, contributed to its long-term success.
4. Engaging with Investors and Managing Expectations: Engaging with investors through regular updates, earnings calls, and transparent communication helps manage

expectations and build trust. Tesla's CEO, Elon Musk, actively communicates with investors through Twitter, earnings calls, and public announcements, providing updates on the company's progress and strategies to manage investor expectations.

5. Adhering to Ethical and Legal Standards: Companies must maintain the highest ethical and legal standards in their operations and financial reporting to avoid legal and reputational risks. The Enron scandal serves as a cautionary tale, where unethical accounting practices ultimately led to the company's downfall and bankruptcy.
6. Innovation and Market Leadership: Innovation and market leadership involve continuously introducing new products, services, or technologies to maintain a competitive edge. Apple's post-IPO journey has been marked by a commitment to innovation, exemplified by the launch of the iPhone, iPad, and other groundbreaking products that solidified its position as a market leader.
7. Strategic Acquisitions and Partnerships: Companies may engage in mergers, acquisitions, or strategic partnerships to expand their product offerings, market presence, or technological capabilities. Microsoft's post-IPO expansion was facilitated by strategic acquisitions and partnerships, such as its acquisition of MS-DOS and its collaboration with IBM, which helped establish its dominance in the software industry.

In the intricate world of finance and investment, the journey from an initial public offering (IPO) to post-IPO tracking is a dynamic and often challenging expedition. Investors, whether seasoned or novice, must recognize the significance of post-IPO tracking as more than a mere follow-up. It's a pivotal period where diligent monitoring, adaptability, and ethical practices converge to shape the future trajectory of a company's stock. Engaging with investors, managing expectations, and staying innovative are equally indispensable elements.

As we conclude our exploration of post-IPO tracking, it becomes apparent that this art form requires precision, commitment, and a holistic approach. In doing so, investors can maximize returns, mitigate risks, and contribute to the enduring success of IPOs. In the ever-evolving landscape of financial markets, post-IPOtracking isn't merely a strategy; it's a journey in itself—a journey that offers bothopportunities and challenges, requiring the wisdom to discern between them and theskill to navigate them effectively.

Literature:

1. T. Chemmanur, K. Krishnan, and D. Nandy. IPO Pricing and Share Allocation: Costly Information Production in Equity Issuance. The Journal of Financial Economics, 2011.
2. C. G. Ritter and N. V. Thompson. The Short-Run and Long-Run Performance of Initial Public Offerings: Evidence from the Canadian Venture Capital Market. The Journal of Finance, 1994.
3. Ortiqov Ulug‘bek Akrombek o‘g, O‘sarov Javohir Bahodir o‘g. AKSIYADORLIK JAMIYATLARINING KORPORATIV MOLIYAVIY STRATEGIYASINI AMALGA OSHIRISHNING NAZARIY-HUQUQIY ASOSLARI. Finland International Scientific Journal of Education, Social Science & Humanities, 2023
4. У.А. Ортиков Ойбек Ҳамлетов. TEORETICHESKOE OBOSNOVANIE KONCEPCII EKO-INNOVACIJ OSNOVY I OPYT VEDUSHCHIH STRAN. «ОБРАЗОВАНИЕ И НАУКА В XXI ВЕКЕ» 2023/06/03

5. Ortiqov Ulug‘bek Akrombek o‘g‘li, Xasanov Jaxongir Jamshidovich. KORXONA RESURSLARINI BOSHQARISH TIZIMI (ERP) ORQALI BUXGALTERIYA HISOBINI TASHKIL ETISH. World of Science, 2023

6. Улуғбек Ортиқов, Жаҳонмирзо Мирзаҳалимов. КОРХОНАЛАРДА ХОДИМЛАРНИ БОШҚАРИШНИНГ ИҚТИСОДИЙ УСУЛЛАРИ. Академические исследования в современной науке, 2023

7. УА Ортиков, СИ Қўчқоров. ТЕОРЕТИЧЕСКОЕ ОБОСНОВАНИЕ КОНЦЕПЦИИ ЭКО-ИННОВАЦИЙ ОСНОВЫ И ОПЫТ ВЕДУЩИХ СТРАН. овости образования: исследование в XXI веке, 2023

8. Улуғбек Ортиқов, Суннат Эсанбеков. КОРПОРАТИВ БОШҚАРУВ ТИЗИМИНИ ЎЗБЕКИСТОНДА ҚЎЛЛАШ ИСТИҚБОЛЛАРИ. Academic International Conference on Multi-Disciplinary Studies and Education, 2023

9. Ulug‘bek Ortiqov, Yulduz Nasimova. RISKNI BARATARAF ETISHDA B2B BIZNES MODELINI QO 'LLASH MEXANIZMLARI. Наука и инновация, 2023

10. Ulug‘bek Ortiqov, Ismoil Ismoilov. RAQAMLI IQTISODIYOTNI JORIY ETISH SHAROITIDA KORXONALAR MOLIYAVIY HOLATINI TAHLIL ETISH. Наука и инновация, 2023

11. УА Артиков, НЕ Джиянова. ПЕРСПЕКТИВЫ РАЗВИТИЯ СВОБОДНЫХ ЭКОНОМИЧЕСКИХ ЗОН В РЕСПУБЛИКЕ УЗБЕКИСТАН. ББК У. Ят31+ Ч34Я431 А 43

12. Muzaffarov Muhammadjon Maxmud o‘g‘li. BUXGALTERIYA HISOBINI TASHKIL ETISH ORQALI KORXONA RESURSLARINI BOSHQARISH, “Science and Education” Scientific Journal / ISSN 2181-0842 October 2023 / Volume 4 Issue 10

13. AKSIYADORLIK JAMIYATLARINING KORPORATIV MOLIYAVIY STRATEGIYASINI AMALGA OSHIRISHNING NAZARIY-HUQUQIY ASOSLARIOU Akrombek o'g, OJ Bahodir o'g - Finland International Scientific Journal of Education …, 2023

14. RISKNI BARATARAF ETISHDA B2B BIZNES MODELINI QO ‘LLASH MEXANIZMLARIU Ortiqov, Y Nasimova - Наука и инновация, 2023