If you’re a holiday shopper, you’re probably looking out for December sales—but for investors, January is where some of the best bargains are.

Every January, many stocks and bonds seem to be “on sale.” That’s a result of the tax-loss selling that takes place toward the end of each year, as investors dump losing investments from their portfolios in order to offset their gains and reduce their tax bills. The mass selling of stocks and bonds that have lost ground over the year typically drives their prices way down.

Investors flock to buy these newly cheap securities in January.Often that’s because, while they lost ground in the previous year, investors realize that they still have good future potential. In fact, often the same investors who’d sold a stock or bond buy it back 30 days later—the earliest that the IRS allows.

And all the buying—especially large-scale buying by mutual funds and other large investors—drives up thesecurities’ prices, resulting in what’s known as the “January bounce.” The key to taking advantage of the January bounce is to separate the stocks or bonds that deserve to be discounted from the ones that are down mainly because of tax-loss selling.

Early every year I work with clients to identify the real values, so that clients can buy them within the window of opportunity. If you’d like to discuss this kind of opportunistic buying please get in touch with me soon.