



## 3 Common Mistakes to Avoid During This Market Volatility

### Description

As the market experiences more volatility, it's natural for investors to become more anxious. News becomes dominated with stories about a possible recession and poor performance by market indices. As this goes on, the markets will become more uncertain, and the decisions you make can have lasting consequences.

Just as though a poorly thought out decision or action may be devastating, so too may a certain inaction. Furthermore, not only do the decisions you make have a potentially negative consequence, there lies opportunity for positivity as well.

Investors are urged to avoid these mistakes, as hard as that may be, when things aren't going well. Doing so could not only save you money, but it may also provide you with opportunity for years to come.

### Checking your portfolio too often

Avoid continually checking your portfolio. Looking at your portfolio too often can cause a lot of stirring emotions you'll want to avoid. Furthermore, if you avoid this mistake, it shouldn't be too hard to avoid the rest of the mistakes on this list.

Continuously checking your portfolio will provide no benefit; it will only hurt you, and it's pointless if you are a long-term investor who owns these stocks for good reasons. Moreover, continuously checking to see how much you have lost (on paper) is just torture.

It's important to remember these losses are only on paper; they aren't real, and the only way to make them real is if you do the impulsive thing and sell your stocks that are down.

### Selling stocks based on impulse

It sounds obvious to say, but selling stocks when the markets are down is almost always the worst

thing you can do. There may be the odd time where some sort of material change with a company could have developed that may warrant the sale of a stock, but these circumstances are extreme.

Only if your view on the company (not the stock) has completely changed should you think about selling your position. It will be difficult not to justify to yourself good reasons to sell a company, especially if you are continuously checking your portfolio and the companies are down.

Conversely, long-term investors may have the opposite problem, and they could make a mistake without even knowing it, thinking they are being prudent by buying when the market is down.

## Buying stocks based on impulse

It's important for investors who may be more disciplined to the downside to also show some restraint in regard to buying stocks at a discount. You may have noticed some stocks on your watch list come down, and you're ready to exercise some or all of your cash position to take advantage.

It is important to note, however, that the losses in stocks may be prolonged, and you don't want to invest all your money right at the beginning. It can be tempting to want to average down, especially on a stock you are bullish on long term.

Investors should avoid trying to catch a falling knife, it's better to stay patient and take the time to find out what is really happening in the markets before buying or selling any stocks.

## A simple suggestion

Owning top stocks that are highly stable is one of the best ways for investors to deal with these potential issues that market turmoil causes. If you were to own a stock such as **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)), these mistakes would be a lot easier to avoid.

[Suncor](#) is an ideal holding for long-term investors because it's a well-run company, it has huge advantages due to its size, and it's a company that is building itself for the long term.

Suncor has been an investor favourite for years, as it's one of the best investments in the Canadian oil and gas industry. Even legendary investors such as Warren Buffett own shares in Suncor.

Currently, Suncor is trading at a P/E of just ~15 times, and its dividend is yielding more than 4.5%. It's right near the bottom of its 52-week range, and investors who are looking for some stability should be adding at these levels.

### CATEGORY

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### TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:SU (Suncor Energy Inc.)

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