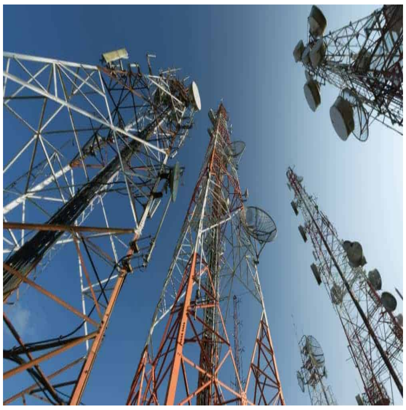

Clueless About Investing? 5 Mistakes You Should Avoid at All Costs

Description

There are only two outcomes in investing. You either win or you lose. But there's only one objective, and that is to win. Losing isn't an option. If you're clueless about investing, there are five mistakes you should avoid.

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The mistakes are not exclusive to beginners. Veteran investors commit them too. Your chances of winning are higher if you don't make the same mistake twice. Once is enough if you want to be a millionaire.

Don't invest money you can't afford to lose

Investing is a risk, especially when you buy and sell stocks. Thus, don't place your money on the line if you can't afford to lose it. That's the first costly mistake because the losses aren't recoverable.

Don't go with the flow

Many investors submit to the herd mentality. There's a tendency to gravitate toward trending, hot or popular stocks. Stock investing is not a popularity contest. You have to look after your best interest and not jump on the bandwagon. Sometimes it's better to be a contrarian than one in the herd.

Don't rely on past performance

When selecting a stock, looking at the historical performance helps, but you can't rely on it entirely. The better approach is to look at the business outlook moving forward. However, several stocks outperform regardless of market conditions. You should be investing in these companies.

Don't be emotional

When investing, don't allow your emotions to get the better of you. You need to learn patience and not have a get-rich-quick mentality. If your investment is in a performing stock, allow your earnings to grow before harvesting your gains.

Invest in a business you understand

The last and most common mistake to avoid is investing in a business you don't understand. Before investing in a company, it makes perfect sense to know how the business makes money. You could also find out whether the sector or industry is volatile or stable.

Canada's telecom industry, for example, has three big companies that control almost 90% of the entire market. If you're familiar with the products and services of telecoms, you have a reasonably good idea of the business. Thus, you're not investing on a whim if you buy shares of **Rogers Communications** (TSX:RCI.B)(NYSE:RCI).

Rogers is the second-largest telecom provider in Canada by market capitalization. This $33 billion company has been operating for nearly six decades. Its wireless subscribers have grown to 10.1 million and are enjoying Rogers' blazing-fast LTE network.

Aside from the efficient consumer services, Rogers provides business services that include security solutions, cloud and data centres, IoT solutions, and networks to support the digital economy.

By looking at the contribution of Rogers to the Canadian economy, you would know that it's highly profitable. In 2018, the company was able to contribute $14 billion. For the next five years, the annual growth estimate is 6.6%

On the dividend front, Rogers yields 2.98%, which is decent and safe. There might be future dividend increases with the expected increase in profits when the 5G network rolls out.

No mistakes, more profits

It's natural to commit mistakes once in a while, but not regularly. But to ensure no mistakes and more profits, invest in high-quality stocks like Rogers Communications. You'll be happy for a long, long time.

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