



## Panic selling

**AutoCanada** ([TSX:ACQ](#)) is in a similar situation as Sierra. This long-standing company operates franchised automotive dealerships in eight provinces across Canada. The stock was surging at the start of the year. However, the automotive industry is experiencing a rough patch.

From a high of \$13.26 in late February, the price is down to \$8.20 this month. Investors sometimes go into panic mode as they watch the value of their investment drop. Assuming they bought the shares at \$12, selling it today means losses of 31.7%.

The decision to buy at the current price is tempting. Investors can take the risk hoping to cut losses should the price rebound. However, they might be buying high if AutoCanada continues to drop and should avoid this mistake.

Over the last two years, AutoCanada is hardly making profits. Once the business returns to normalcy, analysts expect growth to be 24.9% annually in the next five years. The price forecast is \$17, or a potential gain of 107% in the coming months. With a [high dividend](#) of 4.81%, the overall return could be higher than the market average.

## Golden rule

The stock market is tricky and both veteran and newbie investors forget the golden rule – buy low and sell high. If you purchased Sierra and AutoCanada at higher prices, don't sell low. The outlook for the companies is rosy in the coming years. Be patient.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:SWIR (Sierra Wireless)
2. TSX:ACQ (AutoCanada Inc.)
3. TSX:SW (Sierra Wireless)

### PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

### Category

1. Investing

## 2. Tech Stocks

**Date**

2025/07/03

**Date Created**

2019/10/22

**Author**

cliew

default watermark

default watermark