



# Forget Gold and Bitcoin. Here's How I'd Invest Today to Achieve Financial Freedom

## Description

The spread of coronavirus has contributed to a substantial fall in the share prices of a wide range of companies in the first couple of months of 2020. In the near term, this trend could continue depending on the severity of the spread of the disease.

By contrast, the prices of gold and Bitcoin have made gains since the start of the year. This could mean that investors determine that now is the right time to buy them, since they could continue their recent trends over the coming months.

However, the track record of the stock market suggests that buying during its downturns is a shrewd move. As such, purchasing a variety of shares today could improve your chances of achieving financial freedom in the long run.

## Risks ahead

The stock market's performance could continue to be weak in the short run. Investor sentiment has deteriorated significantly over the past few months, and could remain at a lower level than it has done in recent years.

One reason for this is that the world economy faces numerous risks at the present time. As well as coronavirus, there are political challenges in the US and UK, while the performance of major economies such as the EU and China have been somewhat disappointing in recent months. These factors could cause investors to maintain a cautious stance towards equities, which may equate to reduced demand for stocks in the coming months.

## Track record

Of course, stock market declines are not a new phenomenon. Share prices have experienced booms and busts since their inception. Historically, the stock market has always recovered from even its worst

bear markets. Therefore, investors who are able to purchase companies while they trade on low valuations could be rewarded with high returns in the subsequent recovery phase.

At the present time, many stocks appear to offer [good value for money](#). Investors seem to have priced in the potential for a worsening of the global economic outlook. This may mean that investors are able to buy high-quality shares while they offer wide margins of safety, which could enable them to generate high portfolio returns in the long run.

## Diversification

Clearly, the prospects for the world economy are uncertain right now. As such, while specific sectors such as consumer goods, retail and banking may appear to be relatively attractive, diversifying across a wide range of industries could be a sensible move. It may reduce your overall risk, and could enable you to capitalise on strong growth rates from a variety of sectors.

Although in the short run the stock market may underperform assets such as gold and Bitcoin, in the long run its current valuation suggests that it can deliver impressive returns which boost your financial prospects. Therefore, now could be the right time to focus your capital on undervalued shares.

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### Author

peterstephens

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