Scared of Losing All Your Money? Do These 3 Things

Description

Since its February 2020 peak, the **S&P/TSX Composite Index** is down by almost 10%. The past couple of weeks have been the worst for the stock markets since the recession in 2009. Several investors with improperly diversified portfolios incurred double-digit percentage losses. The growing COVID-19 spread is increasing fears of a full-blown recession.

Are you afraid of losing all your money amid this market volatility? I wouldn't be surprised if you're starting to panic. We don't know about the coronavirus in detail, but the uncertainty it is causing in the market is enough to set investors off on a frenzy of sell-offs.

Today I'm going to discuss three things you could do to possibly protect your money from the effects of the current volatility and preserve your wealth.

Don't panic

First and foremost, don't panic and start selling off your investments in the stock market. The cloud of uncertainty is significant. Everybody is already panicking. Reading too much into it and following everybody else like sheep, you might add to your worries by making rash decisions with your investment portfolio.

If you do find yourself in a state of panic, try not to act on what your fear-stricken mind might be suggesting based on what everybody else is doing. Compose yourself and consider the next viable step.

Re-evaluate your portfolio

Due to the recent market correction, investors who had improperly diversified portfolios suffered substantial losses. That means you need to take another look at your investment portfolio and understand which assets are better suited to weather the storm of a recession.

I would suggest trying to look for assets that entail high risk and replacing them with safer investments. Remember that the higher the reward, the more significant the risk. Protect your investment portfolio by investing in low-risk assets.

Consider reliable dividend stocks for the long term

The best possible manner of investing in low risk assets is to search for safe and secure dividend-paying companies trading on the **Toronto Stock Exchange.** I would suggest looking into Canada's banking sector and consider **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) stock.

There are several reasons why Toronto-Dominion could be an asset that can help you retain your wealth in the long run. The bank has high-quality operations in the domestic market with its wealth management division and a substantial mortgage growth.

The bank's credit card division is not doing too badly, however. In the past few years, its insurance operations have grown significantly.

At writing, the stock is trading for $65.45 per share. That's down by almost 14% from its February 2020 peak. The stock is paying dividends to its shareholders at a juicy dividend yield of 4.83%. The significant decline in share prices for TD might be alarming, but it's surprising given the current market situation.

TD has a 162-year tradition of paying dividends to its shareholders. That streak has survived the most significant recessions – and is likely to weather the current bear market.

Yes, the stock is down by a substantial margin. It is, however, trading at a forward price-to-earnings ratio of 9.10, remaining in oversold territory.

Foolish takeaway

Maintaining your composure, re-evaluating your risks and considering reliable dividend stocks is the best possible approach to protecting your wealth in challenging economic times. Consider diversifying your portfolio and investing in shares of safe assets like Toronto-Dominion.

While the bank may be down massively, buying its oversold shares now can help you profit when the market recovers. TD could be an excellent starting point for building a diverse and recession-resistant portfolio.

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3. Investing

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Date
2025/07/06
Date Created
2020/03/16
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