



## How to Buy a Market Crash Like Warren Buffett

### Description

When the market crashes as violently as it did over the last few weeks, it can feel insane to put money in stocks as they plunge excessively by the day.

There's no easy way to buy stocks when the market crashes. Just ask Warren Buffett, who racked up significant paper losses after his "early" purchase of **Delta Air Lines**.

It doesn't feel good to see a recent purchase down by double digits over just a matter of days. But when the markets are tanking, you've got to find it within yourself just to hold your nose and buy.

Volatility goes in both directions. And while an airline like Delta or **Air Canada** may fall another 20% over the next week, it's also worth remembering that shares could stand to go up 100% over the next year, even with that immediate 20% drop after you reached out and [grabbed that falling knife by the blade](#).

### Catching a falling knife hurts, but with experience comes a higher tolerance for such pain

When you buy on crashes, odds are you'll get in nowhere near to the bottom. So do yourself a favour and stop trying to time the bottom because if you wait for an exact technical confirmation, you could miss it.

As you buy on such pronounced dips, your losses will probably rack up and cause a tonne of negative emotions that go above and beyond just fear.

If this is your first market crash, you'll probably feel immediately regretful for buying the stock or even getting in the markets in the first place. You may begin to doubt your abilities and feel hopeless at the mercy of exogenous factors.

Such a rush of negative emotion can literally make you feel sick. While the COVID-19 crash may not

make you nearly as sick as COVID-19 itself, it's still worth keeping your emotions in check, so you're not in a position such that your mental health suffers.

## Warren Buffett takes negative emotions out of the equation

Warren Buffett has bought his fair share of market crashes. He's been through them all, and while the cause to every one of them is different, he approaches each one in a similar manner.

He'll buy early, he'll buy late, but what he doesn't do is sit, wait, and miss out on the Black Friday bargains that hold the potential to vanish as quickly as they arrive.

Buffett is so experienced that he knows when he buys a tanking stock that he can (and likely will) face massive losses rack up over the near term and look like a fool (that's a lower-case 'f') for attempting to buy on a market crash.

He has the patience and mindset to think of the grander scheme of things, and if he purchases a stock at what he deems at a discount to its intrinsic value, he could care less about what the stock does immediately after he buys in.

Heck, he'd probably want the stock to continue plunging further after he's purchased so he can buy even more shares at a greater discount!

## How to be like Warren Buffett as a beginner investor

It's hard to think like this, especially if you're a beginner. It feels reckless to get in the market these days because paper losses can feel very real. As you invest through your fair share of crashes, like Buffett, however, you'll be able to buy shares on the way down and not send yourself into a depression over fast-and-furious losses.

If this is your first market crash of over 30%, you can start by taking the stocks on your portfolio off your phone and not checking your investment accounts amid the turmoil.

Instead, put stocks that you [intend on buying](#) on your phone and make notes of stocks you'll commit to buy if they fall to a certain level. That way, you'll be more likely to cheer negative moves in the markets than being drowned in negative emotions over losses that aren't yet realized.

## Foolish takeaway

Warren Buffett doesn't check stocks by the minute on his flip phone (I think he's since upgraded to an iPhone), and neither should you. They mean far less in the grander scheme of things, so don't waste effort that could be used in analyzing individual businesses.

Stay hungry. Stay Foolish.

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