



## Avoid the Biggest Market Crash Mistake You Can Make

### Description

The stock market is abuzz with speculations and rumours of an impending market crash or bursting of the [market bubble](#). Investors can't believe how equities are surging amid a declining economy. The **TSX**, for instance, has pared down its losses significantly from COVID-19 lows and is down by less than 6% year-to-date.

Several factors are influencing the market and stifling the rally. Among the biggest fears is the rise in coronavirus infections and slow economic recovery due to GDP contraction plus a high unemployment rate. Should the environment turn sour again, avoid the biggest market crash you can commit – panic.

### Natural instinct

The instinct when the market crashes is to make a hasty decision and bailout. Panic selling occurs every time fear consumes an investor. Smart investors will tell you it's a crazy reaction. Warren Buffett advises to disregard [mob fears](#) and focus on the long term.

Never mistrust the market when it is going down. The drop in stock prices is inevitable. Also, the downturn is temporary. There are buying opportunities, and you can purchase some of the best stocks at their lows. Panic selling was rampant during the 2008 financial crisis. After hitting bottom, the market rose beyond its former levels.

People who stayed on eventually recovered and earned massive windfalls on the rebound. Remember that panic selling can hurt instead of help. If a market crash is looming, take a defensive position and rebalance your portfolio if you must. However, when you have confidence in your stock investment, stay the course.

### No fear or panic

**BCE** ([TSX:BCE](#))([NYSE:BCE](#)) investors will not press the panic button in case of another market crash. This \$51.64 billion telecom giant is among the prominent choices of long-term investors.

Communications services and the Internet are essentials, not luxuries anymore. The largest telecom in Canada will play a crucial in the country's economic recovery.

The hallmark of BCE is earnings consistency. Regardless of the market environment, the demand for its products and services will continually rise. Year-on-year, over the last five years, earnings and sales are increasing. BCE did not incur any net losses during the period. You can expect the same scenario for years to come.

If you're investing for income and wealth in the future, BCE will deliver. The telco stock is outperforming the general market and is down by only 2.2% year-to-date. It offers a fantastic 5.93% dividend that \$50,000 worth of BCE shares will generate \$2,965 in passive income. The money will grow to \$158,252.09 in a 20-year investment horizon.

## Play it cool

Maintain your composure in a market crash and don't succumb to irrational thinking. Do the opposite instead and stay in the market. The only time you will panic sell is if your investment choice is not capable of surviving a massive downturn. It should have defensive qualities and earnings consistency like BCE.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
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4. Newscred
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