



2 Warren Buffett Quotes for What to Do During a Market Crash

Description

News of another market crash in 2020 is swirling for weeks now. Wall Street is on a four-week losing streak, and some strategists warn of [more weakness](#) ahead. Similarly, the September Effect is happening again as global stock markets are on track to post steep losses this month.

The **S&P/TSX Composite Index** is down 3.32 this month, while the IT Index fell 2.25%. The tech sector is winning by 39.13% year to date, whereas the TSX is losing by 5.85%. Turbulence is back because the pandemic is worsening. A second wave could trigger waves of decline in the stock market.

An [investing genius](#) is born not when the market is going up, but when it's declining. When the going gets tough, Warren Buffett has words of wisdom on market crashes.

Noah Rule

Buffett says, "Predicting rain doesn't count, building the ark does." The "Noah Rule" of the legendary investor is relevant today. It can be the key to surviving the coming adversity. Buffett admits predicting the market events before 9/11 but he did not prepare for the consequences. **Berkshire Hathaway** lost big in 2011 because of this grave mistake.

The advice is to build an ark and not drown in flood. Rebalance your portfolio and move to safer ground. The telecom services sector is home to one of the top defensive stocks on the TSX. **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) can overcome the headwinds better than any company during pandemics and recessions.

The sheer size alone of this telecom behemoth will tell you it can overcome the market turmoil. Digital technologies are critical needs for decades to come. In this health crisis, telecommunications and Internet services are lifesavers. BCE's services enable Canadians to work, shop and gain access to government services.

More important, people can communicate with loved ones 24 seven and obtain and share vital information. Thus, the \$50.14 billion telecom and media company is among the cornerstone stocks.

BCE can hold its value during the crisis and come out stronger in the post-pandemic era.

For the benefit of income investors, BCE pays a 6% dividend. The dividends are safe and sustainable, given the healthy subscription additions and ever-growing cash flows. Over the last 20 years, the total return is 311.06%. Currently, BCE is working to bridge the digital gap between urban and rural locations in Canada.

Don't panic

Market turbulence is inevitable, but it shouldn't sway you to flee from the chaos. Buffett advises, "The years ahead will occasionally deliver major market declines — even panics — that will affect virtually all stocks. No one can tell you when these traumas will occur."

Some of Buffett's winning investments were during bear markets. Berkshire deployed cash while the market was going down. However, the value investor will not pick just any stock. He invests in companies with strong histories of profitability and possesses a dominant business franchise.

Smart investing

Warren Buffett's words of wisdom about market crashes are appropriate during this most volatile period. It can help you make smart decisions and not ruin your financial goals. You'll get value for your money if you invest in large, fantastic companies than in a mediocre business because it's cheap.

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1. Dividend Stocks
2. Investing

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