



Going Long on the Best TSX Stocks? Do This 1 Thing Now

Description

Taking long positions in the best Canadian stocks is a winning formula for low-risk wealth generation. But there's a big threat looming that investors might not be considering. It's a threat that could rip a gaping hole in any personal investment portfolio. Even a portfolio founded on such high-quality, low-risk names as **CIBC**, **CN Rail**, and **Enbridge** could be rattled. That threat is panic selling.

A shock to the stock market?

At the moment, the stock markets are betting the house on a vaccine. From **Moderna** to **Pfizer** to **Johnson & Johnson**, the vaccine bullishness is now baked in. People are expecting the vaccines now being rolled out to be the beginning of the end of the pandemic.

In fact, some drug makers like Johnson & Johnson have even agreed to sell their vaccines at no profit during the pandemic — a philanthropic gesture that's nice to see. It goes a long way toward reassuring the public that they're in safe hands.

But there are two things going on here: One is the upside potential from Big Pharma names themselves. As seasoning for an investment thesis, though, it's a little on the bland side. Shareholders like profits. A healthy populace is one thing. But that bottom line is what it's all about.

The other major element at play is the overall bullishness of a market that is expecting a literal shot in the arm. When any future event gets baked in to the market, the threat of a correction arises. Expectation is everything, and disappointment can spark a selloff. Just look at every earnings report and the dips and rips that follow them based almost entirely on whether expectations have been met.

Get ready to hold through volatility

The trouble is that a vaccine may not be the end to the pandemic. Over in the U.K., a [fourth tier of preventative restrictions](#) is being enacted. It comes as a mutation of COVID-19 menaces our cousins across the pond. The corollary is that the coronavirus can mutate fast enough to change policy

overnight. As such, the vaccination program might be more vulnerable than the markets may have been predicting.

Anybody who has worked in project management will know that the more moving parts a project has, the harder it is to deliver its objectives. The vaccine program is one of the largest and most important projects to be undertaken in living history.

The amount of moving parts involved in vaccinating a world against a fast-moving and mutating virus are mind-boggling. Investors should therefore do one thing right now: *Get ready to carry on holding.*

If the markets get a shock to the system, investors will be tempted to sell. And that's potentially where the greatest threat to a portfolio exists right now — not in the market itself, but in the emotion inherent in the situation.

Greed can flip to fear like the flick of a switch. But those shares in CIBC, CN Rail, Enbridge, and other Canadian blue-chip companies? Keep calm and carry on holding.

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