



## Stop Waiting for Entry Points: Buy Your Favourite Stocks Today

### Description

One of my biggest pet peeves is reading financial articles that scare investors out of getting involved in the stock market. Stock market investing is the best way for the everyday person to create wealth. Of course, when dealing with stocks that are highly speculative, it may be a good idea to be very considerate about when you enter a position. However, with an excellent company like **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)), entry points shouldn't be a focus.

This article was inspired when I read a fellow financial writer advise investors to stay away from Shopify stock until the company experiences a “meaningful correction” of at least 15%. This implies that investors should shy away from companies that show incredible performance and jump into opportunities after a major slipup of some sort. In this article, I will discuss why investors should shake that mindset.

## Invest like a Fool, not a fool

Investing in excellent companies over time is the best way to create wealth for yourself. This relies on two of Motley Fool co-founder David Gardner's [important investing principles](#). The first of these principles is that “winners will continue to win.” This implies that great companies will continue to become more valuable over time. Second, “add up; don't double down.” This means you will continue to buy shares of your best-performing companies as they increase in value.

These are principles that I follow with the best of my abilities and it has proven to be very successful. If we look at Shopify's stock performance [since its IPO](#), we see there have not been very many significant dips in its chart.

Foolish (capital f) investing teaches investors to think about a company over the long term. Ideally, you would be holding these positions for at least three years. Assuming a company performs as it plans to, your shares should be much more valuable in three years' time than they are now.

From the start of 2019 to its peak in February 2020, Shopify stock gained about 290%. Had you bought at the stock's highest price in February and held through to the end of the year, you would have seen

your position more than double in value.

## The issues of timing the market

One issue that investors often face when waiting for a decline is that they sometimes miss opportunities altogether. When investors see a highly valued stock fall any amount, it is not uncommon for them to want to “catch the bottom.” Over the years, many investors have missed excellent investing opportunities after seeing a stock go down 5%, 10%, or even 20%. After missing the bottom, some investors decide to wait for the next dip, which results in them missing an investment completely.

Another issue that comes with worrying about entry points is the fact that if an investor is correct one time, it will reinforce the idea that they are good at predicting market movements. Many experienced investors including Warren Buffett have preached that “time in the market beats timing the market.” Who am I to argue with the Oracle of Omaha?

## Foolish takeaway

When looking at excellent businesses, investors should not concern themselves with finding the perfect entry point. Instead, spend time looking at what makes that company an excellent investment and learn everything you can about the business. Companies and their stocks are dynamic. The same business you analyze today could change drastically tomorrow. If that happens, your previous determined entry points are useless anyway. Remember to invest for the long term and Fool on!

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