



Are You Investing — or Gambling? 1 Mindset To Help You Through Any Future Market Corrections

Description

With stocks like **BlackBerry**, **AMC Entertainment**, and **GameStop** falling 40-57% in *a single day* on Thursday, some investors might think we're already in a stock market crash in early 2021!

It turns out that's not the case. In a short time, these stocks were [ushered to astronomical heights](#) with the stock chasers having not a care in the world about the business fundamentals and stock valuations. Many of these retail investors were high-frequency traders.

Consequently, the stocks fell hard. However, they won't just fall vertically. Surely, brave souls would jump in, aiming to take quick profits again and again. Therefore, these stocks will be viciously volatile.

In after-hours trading on Thursday, BB stock was up 12%, AMC was up 30%, while GameStop rocketed 61% higher.

Are you investing — or *gambling*?

Who would focus on long-term stock investing when these kinds of market outperforming returns are up for grabs in a single day? Indeed, these returns are terribly tempting. But the fact of the matter is that trading these stocks is gambling right now with some investors making big bets, wanting to make mountains of money quickly. With this kind of volatility, unfortunately, someone will always lose out.

No stock market crash in sight yet for 2021

Fortunately, most of the rest of the market isn't as crazy as these three stocks. The U.S. stock market is trading about 15% higher from a year ago, while as usual, the Canadian stock market underperforms in comparison.

Certainly, the North American markets don't look like they're in market crash mode at the moment. Global vaccines are expected to take effect by mid-year. If so, an economic recovery could come as

soon as this year. Tagging along with the recovery will be strong earnings growth from wonderful businesses.

However, the entire pandemic situation is dynamic. So, we'll have to keep a close eye on how things play out.

Stock market crashes are often triggered by some unforeseen macro event that makes substantial negative impacts to the economy. The 2007/2008 market crash was triggered by a global financial crisis with the start of the blow-up of subprime mortgages in the U.S. when a large percentage of people could not make their mortgage payments anymore.

Nobody really knows if or when the next stock market correction will arrive or what will cause it. However, the stock market tends to go up in the long run. Therefore, it's best to stay invested with a long-term investment horizon.

In fact, many investors stay invested in the stock market for greater returns and income through retirement. It's second nature for them to continue investing if they've invested stocks earlier on in life.

Great stocks to stay invested in through stock market crashes

Some of my favourite stocks to hold through stock market crashes (or forever for that matter) are **Brookfield Infrastructure**, **Royal Bank of Canada**, **STORE Capital**, and **Tencent**. They provide [a good mix of income](#), growth, stability, and diversity. When they fall in stock market crashes, I'd be excited to buy more shares.

Which stocks will *you* be exhilarated to buy or add to prepare for a potential correction?

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