



## Market Crash or Not, Warren Buffett Is Staying Invested, and So Should You!

### Description

If you've been tuned into the mainstream financial media, you've probably heard that we're long overdue for a stock market crash or a correction. Numerous strategists, pundits, and billionaire investors can't help themselves but try to time the markets over the short term. At any given instance, there are likely strong bulls and bears who are pounding the table on both extremes.

While the stock market may be a tad on the frothy side going into February, I'd continue to urge investors to take any short-term projection with a very fine grain of salt. Nobody, not even Warren Buffett, knows when the next stock market pullback will happen with any degree of precision.

Buffett's billions were not made through weaving in and out of the markets over the near term. His fortune was made through sound investment over the decades by buying and holding shares of wonderful businesses priced at discounts to their intrinsic value.

Warren Buffett doesn't care about where anyone else thinks the markets are headed next. He invests for the long term, no matter what. In certain environments, he flies with tailwinds at his back, and in others, he's flying against headwinds. Regardless of the direction of the wind or any changes to its magnitude, he still stays invested in the markets.

## Don't time the next market crash; not even Warren Buffett can do this!

While economists may attempt to ring the alarm bell based on the data they see, it's important to remember that the stock market is not the economy. It's more of a lens into where the economy is headed in the future. As such, backward-looking economic data may not be useful for market timing purposes. So, be like Warren Buffett and stay the course. If a market crash or correction hits from out of the blue, be ready to buy more shares of your favourite companies at lower prices. Treat such market sell-offs as some sort of Black Friday sale on stocks.

Like with actual Black Friday or Boxing Day sales on tangible goods, you'll need cash on the sidelines

to scoop up the best doorcrashers. However, unlike any such sales, you won't know when the next big one will be for the markets. The only thing you can do is be ready and not attempt to forecast it, because, like it or not, the opportunity costs of being out of the markets for a long duration of time could vastly exceed the downside risks of staying invested.

## What to buy in a pricey market? How about a blue chip?

Some folks may claim that the stock market is overvalued and ripe for a crash. Even if true, that doesn't mean there's no value at any given instance. As *Mad Money* host Jim Cramer likes to say at the start and end of every show, there's always a bull market somewhere.

It's just a matter of finding it. Today, I believe there's [value](#) to be had in the utility space with stocks like **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)), which, I believe, have been unfairly penalized of late.

The regulated utility is still paying out a handsome, low-risk dividend (currently yielding 4%), and it's still poised to grow at a mid-single-digit annualized rate. What has changed since the stock fell into the gutter? Not much, if anything at all. The appetite for higher risk and reward has increased, and utility stocks have been collateral damage. Once the tides inevitably turn and we fall into a market correction or crash, it's these such stocks that I believe will hold the most of their value.

If you're hungry for value and aren't a fan of the frothy valuations to be had in some of the [sexier names](#), I'd urge you to give Fortis a chance for your dividend portfolio while shares are out of favour.

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