3 Best Things to Do for Your Stock Portfolio Right Now

Description

The U.S. and Canadian stock markets trading at their all-time highs might make it more difficult to decide what to do with your stock portfolio. Here are the best things you can do right now.

Review your stock holdings

Review your stock holdings. After the rally from the pandemic market crash, many stocks have become fully valued. Determine if there's a need to take profit. For instance, some investors would take partial profit on holdings that grow too large, say, more than 5% of their stock portfolios.

Review if an industry/sector is more than 25% of your portfolio. If so, it might be wise to cut down the size from a risk-management perspective.

Find value

In any market, there is always value to be found. It's just a matter of if it is an investment of your interest.

For example, the rally in commodity stocks has seen cracks recently. On a further selloff, energy, gold, or lumber stocks could be great value stocks for consideration.

You can also find more value in the small-cap space in any market, because a lot of investors don't touch small-cap stocks. **WELL Health Technologies** (TSX:WELL) is a good example. Its market cap is about $1.5 billion. And analysts think the stock is undervalued by 33%.

The growth stock has essentially consolidated in a sideways channel since late 2020. The price action is partly because the stock did extremely well. Since 2020, it has grown investors' money by four times! It's very normal for it to take a breather.

The healthcare system in Canada hasn't changed much for years until WELL Health came along with the mission to modernize clinical and digital assets within the healthcare sector. The health care services company has been on a growth path while picking up fitting acquisitions along the way.

WELL stock is growing in scale and diversity. The company now has health clinics, operates a digital electronic medical records (EMR) business, serving thousands of healthcare clinics, and provides telehealth. Its other business segments include digital health apps, billing services, and cybersecurity. Through its acquisition of CRH Medical, it also provides anesthesia services.

The company's Q1 revenue-growth rate of 150% versus Q1 2020 was impressive, to say the least.

Tally up your dividends

Many investors hold dividend stocks as a substantial part of their investment portfolios. It's not a bad idea to focus on generating a dividend income stream that could be a more reliable form of return than price appreciation.

You can set it up such that your portfolio provides rising dividends in all markets — even during bear markets, when stock prices fall a lot. Tallying up your dividend income every month could be a good habit, as it'll help put your investment focus on safe and growing dividends.

The Foolish takeaway

You shouldn't feel you must do something for your stock portfolio all the time. In fact, sometimes, it's best to do nothing.

Follow your unique and likely improving investing strategy with the rules that you put in place to protect your capital and maximize income or returns. Periodically reviewing your stock holdings and tallying up your dividends are great ideas. And whenever you have excess cash to invest, look for quality stocks trading at a value.

Remember that staying invested for the long run in wonderful businesses is the path to sustainable wealth.

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Date
2025/08/25
Date Created
2021/06/20
Author
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