



Special Update: Stock Market Sell Off is No Time To Panic

Description

Fellow Fools,

Well...hasn't this been a trip to kick off 2022?!

I don't know about you but a constant thought running through my head whilst checking stock quotes far more often than I should of late has been, "How is the market still so close to its all-time highs when it seems everything I own is being SLAUGHTERED?"

And of course, the real kick-in-the-teeth, for me anyways, has been **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). By far the largest position that I own personally, and it closed down by more than 13% on Friday. *In a day.* Pushing its all-in decline from its November high close to 50%. Too close.

Boy, do I miss November.

Admittedly, I'm rattled and making this more personal than perhaps I should.

Thing is, I'll bet I'm not alone and I'd like to convey my approach to the overall market climate that we've found ourselves in to open 2022.

It's actually rather simple.

The anchor in my investing life is the number one Foolish investing principle that everyone should have plastered, metaphorically or physically, anywhere and everywhere.

Here it is.....

DO NOT INVEST A SINGLE DOLLAR INTO THE STOCK MARKET THAT YOU COULD FORSEEABLY NEED WITHIN THE NEXT FIVE YEARS.

Without that anchor, I'd be a wreck right now.

Thanks to it, though rattled, my head is at least clear. To the point that I was actually able to make

some portfolio moves in the face of this adversity. Because of Fool trading rules I can't mention but a new position has been added and several have been added to. Exciting!

That's it.

So...the exercise that I might suggest that you undertake is to think about *your* next five years. What's on the horizon that might require you to draw on your investment portfolio? And tomorrow, or as soon as possible, take the number you come up with and **make sure you have that number *not* invested in the stock market**. Like, nowhere. Not a bank. Not a utility. Nothing.

And then, once you have that message engrained and truly live by it, you're going to find that days/weeks, heck, the way January is shaping up, *months* like what we've experienced are going to be a whole bunch easier to digest.

It's easy to think that we all should have done this or should have done that. And we can share stats til we're blue in the face about this being an entirely natural market spat. Fact is, that kind of rear-view thinking doesn't amount to much when we're being punched in the face.

All that matters is how we manage from here and the best I can offer right now is that you at least consider sharing the same anchor.

Fear not...this too shall pass.

Foolishly yours,

Iain Butler, CFA

Chief Investment Advisor, Motley Fool Canada

P.S. – The number two principle? Bourbon. Kidding. Sort of.

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tmfohcanada

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