



## 2 Simple Strategies That Canadian Investors Can Use to Start Investing in Stocks

### Description

One of the most common reasons Canadians hold cash and put off [investing](#) is that it can seem too difficult or risky. We've all heard the horror stories of investors who start investing in stocks with little knowledge and end up losing all their money.

However, investing doesn't have to be difficult. In fact, with a little patience and discipline, you can use simple investing strategies that will put your money to work in the safest and most optimal way.

So, if you're interested in investing and have been looking to start buying stocks, here are two easy strategies that can help you to grow your money safely and with consistency.

### If you want to start investing in Canadian stocks, I'd recommend a buy-and-hold strategy

The first lesson to learn before you start investing in stocks is that it's all about growing our capital over the long run. Whether a billionaire is looking to find a new investment, or a company is investing cash to build a new facility, any time you're putting your money to work, it's crucial to take a long-term approach.

And when it comes to investing in stocks, assets that see price changes on a daily basis, it's even more important to take a long-term approach.

Predicting how a single stock may perform tomorrow, let alone how the entire market can perform over the next couple of months, is next to impossible. What is far easier is to find the best companies in Canada that have tonnes of opportunities to continue growing their business for years to come.

Buying and holding is crucial. It will help you to avoid speculation, but it also helps to mitigate against short-term volatility.

For investors who are just starting to invest in Canadian stocks, highly volatile environments such as today can be frightening. For seasoned investors, these opportunities are welcomed, as they are the

best times to buy stocks.

If you're looking to start investing in Canadian stocks, don't worry about what the market is doing today. Instead, focus on finding the best companies that you'd be happy and comfortable owning for the long run.

## Dollar-cost averaging can be crucial to optimizing portfolio performance

In addition to employing a buy-and-hold strategy, another strategy to use when you start investing in stocks and one that goes hand in hand with a buy-and-hold strategy is [dollar-cost averaging](#).

There are plenty of high-quality Canadian stocks to buy, and typically when you buy and hold for the long run, you're already putting yourself in an advantageous position. However, it's possible to overpay for high-quality stocks. Just look at **Shopify**. It's been one of the best growth stocks to own for years. But any investor who has bought over the last two years is almost certainly lost value.

So, even the best stocks can be poor investments if you buy at the wrong time and overpay. However, if you plan to use a dollar-cost averaging strategy and add to your investments over time as you can save more money, you can mitigate this risk and give yourself the opportunity to buy these stocks for much cheaper, lowering your average cost.

For example, investors who are dollar-cost averaging and buying Shopify today can significantly reduce their book value per share.

If you're looking to start investing in Canadian stocks but are worried about the risk, these are two of the simplest strategies that can go a long way with patience and discipline.

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1. danieldacosta
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**Author**

danieldacosta

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