



Canadian Stocks: 1 of the Most Costly Mistakes New Investors Must Avoid!

Description

No matter why you decide to start investing, just beginning to start buying Canadian stocks and putting your hard-earned money to work can be a great idea.

However, when first starting to invest, there's no doubt that there's much to learn. It's certainly easy to make many mistakes, especially avoidable ones. And often, you may not even realize you're making a mistake, even after it's already negatively impacted your portfolio.

And while it's always important to learn from your own blunders, it's even better if you can learn from others' mistakes.

So, if you're new to investing and just starting to buy Canadian stocks, here is one of the most costly mistakes that new investors make when looking to find new investments.

Here's what new investors should focus on when buying Canadian stocks

One of the most common mistakes that investors make is buying stocks for the wrong reasons. No matter what other people tell you, whether they are close family members, friends, or even professional investors you may see on T.V, at the end of the day, it's up to you to decide if a stock is right for your portfolio.

Moreover, when you decide to buy an asset, whether it be a stock, [ETF](#), or even a cryptocurrency, it's crucial to ensure that you have well-defined reasons why you believe it's a good asset to own over the coming years.

By defining set reasons why you're buying certain Canadian stocks, it not only ensures that the investment is well thought out and you're committed to the long haul. However, it can also help down the line to keep you disciplined.

For example, investors who got caught up in the cryptocurrency hype and bought late last year have

likely lost a significant portion of their money. And those who bought simply because it was popular and others were doing so have likely already given up on the investment and lost money.

However, those investors who did the research understand the potential of [blockchain](#) and bought because of the impressive technology are likely using this opportunity to buy more now at a much cheaper price.

Because if you believed in the potential and technology of crypto six months ago, particularly with a cryptocurrency like **Ethereum** ([CRYPTO:ETH](#)), there's no reason not to still be bullish on its long-term potential.

The same goes for Canadian stocks. If you believed this time last year that e-commerce had significant long-term potential, and **Shopify** was one of the most dominant businesses in the space, then it's certainly one of the best stocks to buy now after falling by over 75%.

Bottom line

It's not uncommon to doubt your investments when they begin to lose value, even if the rest of the market is selling off, too. However, as long as you know why you bought these stocks and continue to believe in their long-term potential, then rather than selling in these environments and losing capital, you can use the opportunity to buy the dip and lower your average cost.

Half the battle of investing is having discipline and patience. So, the next time you're looking to buy Canadian stocks, ensure that you have well-defined reasons why you believe in the company's long-term prospects for growth.

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