



## 5 Warren Buffett Quotes That Apply in Today's Stock Market

### Description

The investing world has evolved with new instruments like crypto and NFT. But the basics remain the same. The 91-year-old value investor Warren Buffett, who has minted money in every recession, has some fun ways to teach about the stock market. From his treasure trove of knowledge, I have identified five quotes that apply in today's market environment.

### Today's stock market environment

The rising interest rates and inflationary pressure is pulling the economy into a recession. The global supply is disrupted, as the Russia-Ukraine war diverted Russian oil and gas supply from Europe to Asia. The interest rates are expected to surge to a 20-year high. Fears of a housing bubble burst are looming. And there may be no fiscal stimulus for the current crisis.

### Warren Buffett quotes that apply in the current stock market

The wisdom of Buffett applies in the current market. After all, the basic remains the same. Markets are a reflection of investor sentiments, and only when you control your emotions can you make good money in the stock market. Here are five lessons from Buffett you can apply now.

### Never hold too much cash

"Today people who hold cash equivalents feel comfortable. They shouldn't. They have opted for a terrible long-term asset, one that pays virtually nothing and is certain to depreciate in value."

Buffett always favoured staying invested instead of holding cash. But he hoarded cash during the pandemic, as the interest rates were near zero, making fixed-income instruments less attractive. He waited to buy the right stock. Hoarding cash in short term is better than investing in any stock.

The current market is seeing accelerated growth in interest rates. With inflation over 8%, you are losing value every minute you hold extra cash. I understand the markets are uncertain, and you are risk averse. While you fear losing money in stocks — something more fearful is losing value of every dollar.

You can preserve your cash from losing its value by investing in [Dividend Aristocrats](#) that give a 6% dividend yield. **Enbridge** has been paying dividends for over 60 years and growing them for 27 years. The company's strong cash flows show it can continue this trend for another decade.

## Invest in stocks when no one is investing

“Most people get interested in stocks when everyone else is. The time to get interested is when no one else is. You can't buy what is popular and do well.”

Many investors learnt this lesson after the [crypto crash](#) and the tech bubble burst this year. The value lies in looking beyond what is popular and buying oversold stocks with strong balance sheets and significant growth potential. One such stock is **CGI Group** ([TSX:GIB.A](#))([NYSE:GIB](#)). Although it has recovered from the oversold category, it is a buy.

CGI Group is seeing growing interest as recession opens up IT budget to digital transformation. Companies are focusing on optimizing instead of scaling. CGI stock is a buy before everyone gets interested in it.

## Hold stocks as long as they remain good

“All there is to investing is picking good stocks at good times and staying with them as long as they remain good companies.”

The crux of this line is holding good stocks while they remain good companies. Buffett sold his airline stocks in April 2020 because the pandemic changed the world of airlines. All profits vanished, and the industry plunged into debt. The rising oil prices and interest rates complicated matters for airline stocks. There's no point holding **Air Canada** stock, as the company's income statement is on a ventilator. It is difficult to say how long it can hold on.

## An index fund is the best investment option

“In my view, for most people, the best thing to do is own the S&P 500 index fund. There are huge amounts of money people pay for advice they really don't need.”

When you can't decide on individual stocks, invest in index funds, as they will rebound with the market.

## A final quote

"Your best investment is in yourself. There is nothing that compares to it."

### CATEGORY

1. Investing
2. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:GIB (CGI Group Inc.)
2. TSX:GIB.A (CGI)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

default watermark

### PP NOTIFY USER

1. kduncombe
2. pujatayal

### Category

1. Investing
2. Stocks for Beginners

### Date

2025/08/17

### Date Created

2022/07/15

### Author

pujatayal

default watermark