



Worried About the Stock Market? Take Warren Buffett's Advice and Do This

Description

2022 has caused a lot of concern for investors watching the stock market. Although it can be disconcerting to watch your investments lose value, in these environments, it's crucial to keep a long-term mindset and remember some advice from one of the best investors of all time, Warren Buffett.

Plus, aside from the pandemic, the selloff this year has followed years of strong growth in the economy and incredible returns in the stock market.

The market periodically goes through environments like this, and while they don't feel great on your portfolio, they're actually an excellent time to buy stocks.

In fact, one of Warren Buffett's most famous quotes says, "We simply attempt to be fearful when others are greedy and to be greedy only when others are fearful." Buffett knows that these market conditions don't last, nor do [bull markets](#). However, high-quality companies do last, so adding to your portfolio during these periods when stocks are ultra-cheap is a significant opportunity.

But how can Buffett be so confident in these unfortunate times, and how does he have the discipline to keep an eye on the long haul? To answer that, here are three more of his most [famous quotes](#) that show investors how to navigate these markets.

Be like Warren Buffett and buy stocks for the long haul

In order to invest like Buffett and minimize the risk of short-term volatility, it's crucial to have a [long-term mindset](#). This means looking for companies and stocks to buy that you plan to hold for a minimum of five years.

It's extremely difficult to predict what will happen in the short-term, both in the economy and in the stock market. Who could have predicted the coronavirus pandemic?

Over the long haul, though, the economy is constantly growing, and the best businesses should continue to find ways to expand.

That's why another one of Warren Buffett's most famous quotes says, "Our favourite holding period is forever." Buffett knows the best stocks are ones that are so high-quality, have such strong competitive advantages, and have so much long-term potential that he doesn't ever need to sell them.

Focus on finding the best businesses you can buy

As I mentioned above, these market environments can be disconcerting. They can also cause investors to focus more on economic numbers, such as inflation, rather than focus on finding the best businesses on the market. Buffett focuses on buying high-quality stocks and not on what the economy is doing.

Furthermore, while these environments are the best times to buy stocks while they're cheap, it's still crucial to buy the best businesses on the market, especially if you're going to buy stocks for the long haul.

That's why Warren Buffett's quote, "It's far better to buy a wonderful company at a fair price than a fair company at a wonderful price," is crucial to remember.

For example, a high-quality stock such as **Aritzia** ([TSX:ATZ](#)) is currently down less than 20% from its high.

Although there are numerous stocks that are cheaper than Aritzia, particularly in the retail sector, the growth potential that Aritzia offers investors makes it one of the best retail stocks you can buy.

While some cheaper stocks may offer short-term potential as they rally back to fair value, Aritzia offers years of growth potential as it expands its business across the U.S.

Having patience and discipline is key

Often, investors believe that the stocks you buy are the main factor in how well your portfolio performs. And while that's obviously an essential factor, it's just as important to have the right temperament.

Warren Buffett once said, "Successful investing takes time, discipline, and patience. No matter how great the talent or effort, some things just take time."

Investors often know they should be investing for the long haul but putting it into practice and keeping your emotions in check can be difficult in the heat of the moment as stocks are bleeding value.

This is when discipline and patience become essential, and in these environments, it can remind investors that now is the time to be buying stocks like Warren Buffett rather than selling stocks at multi-year lows.

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Author

danieldacosta

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