



3 Canadian Stock Market Predictions for 2023

Description

Predictions about anything are fraught to be wrong, but especially those about the stock market. We all knew 2022 could be volatile, but who would have imagined the year we had?

The thing is, predictions give us a false pretense of control, like somehow, we can control or manipulate the future to our desired effect. However, predictions don't factor in the reality that random and unforeseen events (both for the good and the bad) happen all the time. As a result, any prediction by any market guru (or me) must be taken with a grain of salt.

The best thing you can do is to live by [smart principals](#) and learn from wise investment masters. With this in mind, here are three stock market predictions that should last in 2023 and for many years beyond.

The stock market will continue to be volatile

Firstly, stocks will continue to face a volatility. There are plenty of economic and geopolitical headwinds that could continue to whipsaw stocks up and down. Consequently, only invest what you can afford to lose or what you can afford to be very patient with.

Investment great Shelby Davis reminds us, "History provides a crucial insight regarding market crises: they are inevitable, painful, and ultimately surmountable." Market downturns don't last forever, so don't try to time the market. If you can afford to be invested, stay invested. Stocks follow their business fundamentals, but they need time and lots of it.

Stock market speculating will be a losing strategy

2021 was a year of massive speculation and gambling in the stock market. However, such speculation has been disastrous for many investors.

The collapse of **FTX** and other cryptocurrencies in 2022 has shown how large, sophisticated

institutions and retail investors alike can get wrapped up in greedy gambling activity.

[Warren Buffett](#) humorously warned about this kind of situation when he stated, “A rising tide floats all boats ... only when the tide goes out do you discover who’s been swimming naked.”

Once again, business fundamentals like earnings, earnings growth, balance sheet strength, management expertise, and business durability will be important in determining a good investment from a bad one.

Patient, disciplined investors will succeed in life and in wealth

Warren Buffett once said, “The stock market is a device to transfer money from the impatient to the patient.” He built his multi-billion empire by buying good businesses and simply holding them longer than anybody else.

Investing with an extended time horizon allows great businesses to do the grunt work for you. The longer you hold a high-quality stock, the better its capacity to compound value for you.

Nobody knows when the market will turn around, so if you hold good businesses, be patient and stick with them. Let compounding be your ally, not your foe.

Stocks to stick with in 2023 and long beyond

Fortunately, the [TSX](#) is home to many wonderful businesses you can buy and hold for the long term. One that makes for an attractive buy right now is **Brookfield Corporation** ([TSX:BN](#)). This company owns diversified positions in [real estate](#), infrastructure, renewables, private equity, distressed debt, insurance, and asset management.

This one stock gives you vast exposure to several sectors and investment themes. While Brookfield Corp. stock is down 30% in 2022, it is offering [incredible value](#) here. At 15 times earnings, it trades at such a discount that investors are basically getting its real estate, insurance, and distressed debt businesses for free.

This company is very well managed, and it can likely profit from a recession by making accretive contrarian investments. Its management team owns a large stake in the business, so incentives are very aligned with yours.

Brookfield is just one great example. However, other great TSX businesses to consider owning through the market cycles, for the long term include **Constellation Software**, **Alimentation Couche-Tard**, **TFI International**, **Colliers International Group**, **WSP Global**, and **CP Rail** to name just a few.

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