



Last Year I Was a Market Genius. Now I'm an Idiot.

Description

What a difference a year makes.

This time last year, I sat in my living room pleased as a peacock, perusing my investment accounts and brimming with undue pride. The green – it was everywhere. The gains – they were handsome.

With the exception of a couple of laggards I've never been able to part with for various sentimental reasons (I'm looking at you, **Oatly** ([NASDAQ:OTLY](#))), everything was coming up roses as I watched my net worth rise with each passing month.

Today ... not so much.

In fact, I looked at my portfolio just last week, comprised largely of the same companies that made me so proud last year, and I felt my heart deflate.

Look at the red! Look at the losses! It's a bloodbath out there, as it has been the week before that, and the week before that. Unrelenting.

I've been an investor since I was 18 years old. Like any good Fool, I heartily subscribe to the long-term buy-and-hold mindset. I weathered the storms of the 2008-09 recession. I've made some boneheaded investing decisions, seen the error of my ways, and corrected my mistakes.

I've watched **Apple** ([NASDAQ:AAPL](#)) soar since I first bought shares some 17 years ago, and I've watched some others (ahem, **StoneMor** ([NYSE:STON](#))) disappoint.

It's the nature of investing.

Until recently, I primarily checked in on my portfolio every day out of pure curiosity. A little bump here, a little slip there – no worries, no matter. But lately? Lately, some days I don't even want to look. In fact, some days I don't look. I don't want to see all that red – who does?

It's so easy to feel like you're a stock-market genius when you're a solid decade into a bull market. And

it's even easier to feel like a total rookie when the market starts to turn, leaving your portfolio in arrears as it begins another cyclical pullback.

That's just human nature. We take credit for everything when things are good; we beat ourselves up when things start to go poorly beyond our control.

But the truth of the matter is: **I've lost nothing, because I've sold nothing.**

Oh, sure, sometimes I want to chuck the lot of it in a fit of frustration, but those feelings are easily resisted when I take a good, hard look at my stocks, first in totality, then company by company.

Has my investment thesis changed on any of them? No. Has my confidence in their long-term outlook waned at all? No. When this latest downturn is over – and I know not when that will be – would I regret being rash and making knee-jerk decisions?

Definitely.

In the moment, it's downright painful to see your portfolio bleeding red. It's disconcerting to have no idea how long this will last or what comes next. If there's one thing the past two years of pandemic life have taught us, it's that we really have no idea what's hanging out around the next corner.

But one thing I do know is this: In a time of high emotions and worldwide irrationality, it's important to keep a cool head. Playing into the hype, feeling your knees buckle every time the market swoons, is the least helpful thing you can do to weather the storm.

Sometimes the hardest thing to do – to stay the course, to remain calm, even as your portfolio takes a body blow – is the best thing in the long run.

As for me? Last week, I surveyed the scene in my brokerage account, took a deep breath, and ... went shopping. Snapping up shares of my favorite companies at bargain-basement prices keeps my eye on the future, not on the rockiness of today.

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