



Market Crash Prep Class: Should You Sell Your Stocks Now?

Description

The biggest mistake many investors have made recently is selling out of good high-quality positions. Many investors did so during the volatility we witnessed in the first quarter. Many of the best quality companies have rebounded to pre-COVID-19 levels. Further, these companies have hit new all-time highs. Market sentiment is a fickle thing, as is timing the market.

Case in point

One stock I have liked throughout this volatility is **Cargojet** ([TSX:CJT](#)). This Canadian purveyor of air freight solutions has skyrocketed to new all-time highs of late as e-commerce business has exploded post pandemic. With everyone forced to shop at home, Cargojet's core business is booming.

Cargojet is a rare company in that it has an effective monopoly (around 90% market share) of air cargo shipments in Canada. The company's agreement with **Amazon.com Inc.** has been extended. Many analysts believe this company will continue to maintain this relationship moving forward.

The Canadian market is a notoriously highly regulated space. Barriers to entry make Cargojet's offering even more lucrative. Threats to entry from large players like Amazon do exist. However, I anticipate the next five to 10 years, at least, to be smooth sailing for Cargojet.

The pandemic has also created an advantageous market for leasing planes, given the number of aircraft currently sitting idle. This allows for relatively inexpensive ramp-up of operations, as needed, to meet the demand increase from Cargojet's customers.

As a service company, Cargojet offers excellent exposure to the [e-commerce boom](#) without the stress and risk associated with running a consumer-facing business. This is perhaps one of the best stocks to stay invested in long-term, despite market turmoil that may arise in the future.

Bottom line

Those who sold positions in Cargojet in March are among a large group of investors who paid the price to be rid of risk. Volatility represents the risk investors take when owning stocks. Stock market gains are not linear — a difficult concept for many to grasp.

This pandemic has taught us that staying strong and holding on to high-quality enterprises like Cargojet is the most profitable way to invest for the long term. Constantly buying and selling stocks eats away at long-term returns through trading fees. This also forces many investors to miss up the periods of market gains which are so valuable over the long haul.

CATEGORY

1. Coronavirus
2. Investing
3. Stocks for Beginners
4. Tech Stocks

POST TAG

1. coronavirus
2. Covid
3. e-commerce
4. market crash
5. Retail

TICKERS GLOBAL

1. TSX:CJT (Cargojet Inc.)

PARTNER-FEEDS

1. Business Insider
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