



Should I Sell Now And Buy Back Later?

Description

When markets are going down, it is easy to say,

Since stock prices are falling, I'm going to sell now and then buy back cheaper later!

Trust me, I've made that (noob) mistake before. And guess what? The markets went up and I lost my chance. If I had simply stayed invested back then, I would have made 300% returns in 2019.

It was a sobering lesson, and taught me that unless I have a super accurate fortune-telling crystal ball, where the market and stock prices move next is truly anyone's guess at best.

The market never works as perfectly as you expect it to. And in crisis periods like the one we're living through right now, the decisions are never that straightforward either.

If it were, then we'd all be millionaires.

Everyone thinks they can buy in low and sell high. In this case, everyone believes they can sell high (now) and buy back cheaper later. After all, that's Investing 101, isn't it?

But it is never that easy.

Hindsight is 20/20. But markets are forward-looking.

My best stock investments were all made when the outlook was uncertain, and when people were losing confidence in the stock / company.

You have to take (calculated) risks in such moments of uncertainty.

Like what my friend [Brian Halim says](#), "investors never get the best value out of the market only when things start to stabilize. If you think that by watching the news and markets for 24/7, you can time to enter at the bottom, then **chances are, you are likely to miss out on the best part of the rebound.** Huge opportunities and the best decisions are often made when outlooks are uncertain and NOT when the sky is clear."•

No one knows where the markets will go tomorrow. The virus situation in Europe has exploded out of proportion with too many patients and not enough doctors, and many believe the US is next. When that happens, there's no telling what will happen to the stock market even if the Fed steps in again.

My biggest priority now would be to ensure I space out my funds and stock purchases so that I have enough to last me through the crisis, and who knows how long that will be. It is incredibly difficult to time the market, so I'm just going to average in each time. Even if some of those later purchases are on the recovery, that should still be lower than at today's prices and valuations.

If anyone is telling you that they're selling out now to buy in cheaper later (and suggesting that you should do the same), then ask them this:

If you're so confident, then why aren't you taking a short position on it?

No one is responsible for your investment portfolio except yourself. So take all buy and sell calls during this period with a pinch of salt; what's more important is that you make the decisions you feel are best for yourself.

And remember, always go back to the basics. Don't try to be a fortune teller unless you really have eyes for the future. *If that's the case, then please drop me an email with next week's winning 4D number and I promise I'll split my winnings with you.*

I'm excited for the week ahead to see if there'll be anything else I can scoop up, but in the meantime, always be sure to invest safely.

With love,
Budget Babe

Category

1. Investing
2. Stocks