



Starting to panic? Part 2

I am sure that some of you have not been able to resist and you have looked at your portfolio in the last few days, with a little pinch in your heart. Don't worry, you're not alone.

A few days ago, I sent you a little memo with some quotes to help you stay calm, and today I'm going to try to explain what's going on. This situation is not exceptional, I swear!

It is often said that the stock market is driven by two emotions: Greed & Fear. When fear takes over, as we have seen for a few days or weeks, undisciplined investors get scared and liquidate their investments, which leads to further declines, more fear, by the same token more declines, you see the problem!

Every time... YES every time, reason eventually takes over emotion and the market regains its momentum on the upside, usually VERY quickly. Remember that the market is made up of companies that hold inventories, assets and above all, that generate income. So, at a certain price, buyers return to the market.

Basically, EVERYTHING has a price, and the more the market declines, the stocks are less and less expensive. This will allow us to acquire stocks at prices that in a few months, those who haven't been disciplined, will bite their fingers, while we can listen to them with a little smile in our face.

This kind of market is what differentiates investors from speculators, and we are investors, very disciplined investors.

Phil

Contact us

Sorel-Tracy

26 Pl. Charles-de-Montmagny,
Suite 100
Sorel-Tracy, QC, J3P 7E3
Tel: 450 743-0775
fbngp.ca

Ottawa

50 O'Connor St.
Suite 1602
Ottawa, ON, K1P 6L2
Tel: 613 760-3499
fbngp.ca

www.cordeulemay.ca

The particulars contained herein were obtained from sources we believe to be reliable, but are not guaranteed by us and may be incomplete. The opinions expressed are based upon our analysis and interpretation of these particulars and are not to be construed as a solicitation or offer to buy or sell the securities mentioned herein. The opinions expressed do not necessarily reflect those of NBF. I have prepared this report to the best of my judgment and professional experience to give you my thoughts on various financial aspects and considerations. The securities or sectors mentioned in this letter are not suitable for all types of investors and should not be considered as recommendations. Please consult your investment advisor to verify whether the security or sector is suitable for you and to obtain complete information, including the main risk factors. Some of the securities or sectors mentioned may not be followed by the analysts of NBF.

