

Fear of Missing Out (FOMO)

- **Clear Definition:** In an investment context, Fear of Missing Out (FOMO) is the anxiety that an exciting or profitable opportunity is being missed, which can lead investors to make impulsive decisions based on social trends rather than fundamental analysis. It is often driven by seeing others profit, which compels individuals to follow the crowd without conducting their own research.

- **Actionable Coping Strategies:**

1. **Develop a Disciplined Trading Strategy:** Create a structured investment plan with clear goals, entry and exit criteria, and risk management rules. Adhering to these rules consistently helps you stay focused on your long-term objectives rather than being swayed by short-term market hype driven by FOMO.

2. **Conduct Independent Research and Analysis:** Before investing, perform your own due diligence. Evaluate the fundamental and technical aspects of an asset rather than relying on social media buzz or the actions of others. This helps you base decisions on solid data instead of emotion.