

Buying stocks for the first time?

Here are 7 things you must keep in mind



Keep your eyes wide open

If you haven't invested in the stock market before, either it sounds daunting or you're eager to begin because you heard your friends talk about how much money they made from investing in stocks. While being positively influenced to explore investing is much appreciated, it's important to not blindly invest your hard-earned money. Researching about the stock market and the risks involved is very crucial for beginners.



Be fluent in the basics

As a beginner, all the numbers, charts, and financial ratios may seem too much to remember and analyse. While we encourage investors to do in-depth analysis of figures, there are some basic terms and figures (such as 52-week high/low, open price, previous close, etc.) that you can learn easily and get started. Once you feel comfortable with these, you can slowly level up your investing game.



Don't invest money that you need

Let's say it together: "I will never risk money that I can't afford to lose". Many might say that you can make quick money in the stock market, what they forget to tell you is to check your risk appetite. As a beginner, the best approach is to start by investing only surplus funds in stocks. This way, you get to dip your toe in the water and keep going as you get more comfortable and your risk appetite increases.



Listen, don't follow

There are thousands of popular investors in the world. You might be following them on social media, aspiring to become as rich as they have become as investors. It's great to be inspired and listen to their advice, but to blindly follow their investment strategy is a grave mistake. Avoid investing in stocks simply because someone else has invested in it. Research first. And, this applies to family member/friends too.



Create a mixed bag

Diversification is one of the most-used terms in investing. And, for good reason! When we talk about investing based on your risk appetite, it's also important to diversify that risk. You can do so by investing in different companies from different sectors.



Keep your emotions aside

There are two major emotions that investors are prone to feel while investing: Greed and fear. Greed leads you to buy stocks only based on incredibly high returns in the past without researching about the company. Fear leads you to sell your stocks at rock-bottom prices when the market is going down. Neither of these emotions are helpful. Staying logical and analytical is the best approach to investing.



Forget about timing the market

The market is not stable, never been, and never will be. Many investors try to time the market by investing when the prices are low and selling when it's high. This strategy has almost never worked. The market moves due to many factors that cannot be predicted by anyone, not even experienced investors. The best way to go about it is by researching before investing in a company and staying invested for the long term.

