

Many times the worst [investment](#) decisions you took were quick reactions to [news](#) that looked important. It is usually said that for investing in stocks one needs to be vigilant & hyper active i.e. to keep an eye on all [news](#). But the real job is to ignore information and focus on the goal. Excessive information hides knowledge and prevents understanding.

As an investor, one should focus on identifying business that are likely to post huge [earnings](#) surprises ahead instead of envisaging solutions for the political arena and world economy. Because world is way too big & complicated to figure out anyway.

To Be a Great [Investor](#) You Need the Right Temperament:

If you strive to achieve good [investment](#) returns, you need the right temperament. It is important that you realize temperament is different from knowledge, intelligence, wisdom, and discernment. This includes:

- Patience
- The ability & willingness to stick to plan while ignoring the crowd
- The emotional capacity to separate market fluctuations from underlying real value

Maintaining calm & persistence are the traits of a successful [investor](#). They should know that sometimes everything a man can do is to wait and see what is going to happen in the days to come. An average [investor](#) always feels like doing something or changing things. But the best investors know that fortune comes to those who are not afraid to wait for it.

In short run, share prices are affected by many factors like rumors & news, economic climate, risk behavior changes, taxes, investor sentiments etc. and taking a one-day sample and projecting from that, it seems that each business [news](#) channel in [India](#) covers about 60-100 news items a day. Most of them are duplicates of the news on other channels, but perhaps 20-30 are unique.

Not just that, in these days of interlinked markets, most of us accept that events in some influential equity [markets](#) directly impact other [markets](#). It could all easily add up to hundreds of more items to mentally process every single day.

Most of this information is useless/ irrelevant for investors from a medium term perspective but an average investor will find all this information important and essential to monitor. This news will waste your time and drain your mental energy leading to huge opportunity costs.

Even the [stock](#) prices and indices themselves hold almost no useful information on a day-to-day basis. For example, if you monitor the daily fluctuations of an index, you just get random jumps/falls. However, if you were to look at each index only once a quarter or a year, you would get a much better idea of the general trend. And if you were to expand your horizon to 2-3 years, only then would you get an idea of the real direction and scale of the market. Paying attention to the daily graph is not just useless but actually harmful.

So one needs to ignore/ remove the news from your daily life and stay focused towards your [investment](#) objective. If one look at your actual investment track record, you'll likely

discover that the strongest impact - positive or negative -came from things that took months and years to develop and that you had a lot of time to understand them and react to them.

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Disclaimer: Views expressed are his own