

Investor Insight

Dekker Hewett Group | Independent. Trustworthy. Experienced.

Separating Emotions from Investing

Fear and greed are said to be the twin drivers of day-to-day market activity. Either emotion can be the downfall of an otherwise well thought out investment program for an individual.

The accompanying chart, provided by Barclays Wealth, is a market cycle showing some of the emotions that might be associated with certain stages. Investors may recognize many of these stages, perhaps from their own experience. Periods when everyone is excited about market or stock prospects, media stories about the new wealth being created, how market cycles are now a thing of the past, and so on, often mark a market top.

Conversely, when things look bleakest, some investors swear off stocks forever (capitulation). These are the times when the greatest bargains may be available for the next cycle.

What is the prevailing market mood today? Decide for yourself. But the key is to recognize that the emotional roller coaster recurs again and again. This perspective will provide some equanimity in dealing with the difficult task of wealth building, as well as avoiding some of the pitfalls that emotions can create.



Source: Barclays.

Dekker Hewett Group
Canaccord Genuity Wealth Management
609 Granville St., Vancouver, BC, V7Y1H2
T: 604.699.0852
E: dhginfo@canaccord.com
www.dekkerhewettgroup.com

CANACCORD GENUITY WEALTH MANAGEMENT IS A DIVISION OF CANACCORD GENUITY CORP., MEMBER-CANADIAN INVESTOR PROTECTION FUND AND THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

This newsletter is solely the work of the author for the private information of clients. Although the author is a registered Investment Advisor at Canaccord Genuity Corp., this is not an official publication of Canaccord Genuity Corp. and the author is not a Canaccord Genuity Corp. analyst. The views (including any recommendation) expressed in this newsletter are those of the author alone, and are not necessarily those of Canaccord Genuity Corp. The information contained in this newsletter is drawn from sources believed to be reliable, but the accuracy and completeness of the information is not guaranteed, nor in providing it do the author or Canaccord Genuity Corp. assume any liability. This information is given as of the date appearing on this newsletter, and neither the author nor Canaccord Genuity Corp. assume any obligation to update the information or advise on further developments relating to information provided herein. This newsletter is intended for distribution in those jurisdictions where both the author and Canaccord Genuity Corp. are registered to do business in securities. Any distribution or dissemination of this newsletter in any other jurisdiction is prohibited. The holdings of the author, Canaccord Genuity Corp., its affiliated companies and holdings of their respective directors, officers and employees and companies with which they are associated may, from time to time, include the securities mentioned in this newsletter.

The preceding information is for general information only and does not constitute tax advice. All investors should consult with a qualified tax accountant.
Tax & Estate advice offered through Canaccord Genuity Wealth & Estate Planning Services.

FOR DISTRIBUTION IN CANADA ONLY