Historical errors in investments

[Finance](), [Investment]()

Investing in the stock markets, for new investors is always surrounded by a host of famous phrases, curious financial accounts and even, more or less accurate affirmations, when taking the responsible decision to proceed with your money in the bag.

There are several concepts related to investment in well-known equity markets , which determine the risk or the advantages of investing influenced by internal or external circumstances to the progress of the parks. For our “ small and medium investors” , we will review some of these erroneous concepts of widespread propagation by the specialized information media, as well as by the various web pages that report on investments, markets and finance in general:

Make the purchase of shares of listed companies for the fact of being at historical lows: One of the most famous stock phrases is the one that says: “ Buy cheap and sell expensive” … (as a concept is unsurpassed) , but you must be very careful by investing in securities located at historic lows of prices , due to the professional ignorance of the economic reason for such an anomalous situation that the market itself punishes waiting for any possible bankruptcy or serious financial risk for its business future. Trying to get ahead of the market in the possible recovery of levels in a certain value is an excessive risk that should be avoided.

The safe investment is in the big values of the Stock Exchange: This assertion is not misguided, however, the current small investor should bear in mind that a few years ago large corporate brands listed as Enron or Lehman Brothers … “ went to pique ” , after having a great business trajectory of wide internationalization of business and recognized prestige worldwide. Apart from the stock market size of the selected value, more concepts and data of the current situation of the company must be appreciated in order to proceed with the purchase of its shares.

Enter a value based on strong media rumors: There is a serious risk of losses at the time when the least experienced investor proceeds to buy the securities of companies listed on the stock exchange for the simple fact that the media augur a strong rise in the prices of their shares or high possibilities of generating future benefits. The markets and the Internet are plagued by news that at certain moments are collected and amplified for its propagation, by means of communication, with the clear objective of enhancing the entry of " the herd of little ones" into the value and risk that this investment attitude entails.

Buy shares of a company for the distribution of dividends: Receive the amount of dividends distributed on a regular basis is a great incentive for any investor, and in fact, is a point in favor when choosing a certain value. But it should never be the only weighty reason to make the purchase of their shares, since repeatedly a company that distributed dividends for several consecutive years has seen their securities lose 30% or 50% of their value on the Stock Exchange. Short period of time, causing heavy losses for their holders of shares and that will never be compensated for the receipt of said past dividends.

TIPS TO AVOID THE MOST COMMON ERRORS

When choosing a stock market value to proceed with the investment, the future participant must keep in mind many concepts of the type: dividend yield, situation in the market, sector to which it belongs, past profitability, forecast of future benefits, internationalization of its business, technical analysis of its historical charts , study of its fundamentals, positioning in its market niche, distribution of dividends, volume traded on the stock market, capital increases, repurchase of securities, etc.

When deciding which is most appropriate for their characteristics or profile, new investors who are not yet technically trained to understand all that information, related to a listed company, should seek professional advice before performing any operations in the market. Market and thus avoid making the same historical mistakes in investments. All caution is little when it comes to investing our money and remembers that the investment in equities, as the name suggests, made without due calculations and technical considerations that protect us may be in its stock market … excessively variable … for Our interests.