

Tips for Investing in Stock Market

1. Don't be a part of sheep-moving

It is the specialty of us, humans, that whenever an important decision has to be taken or any work has to be done, then they do that work only after consulting our close relatives, friends, and colleagues. But before investing in shares, you have to avoid this sheep-moving mentality. If you think that all the company shares in which you are investing, then you have to do the same, then you can get stuck.

Doing so will prove fatal for your long-term investment. Therefore, you should not be a part of the crowd and take your decision according to your knowledge, purpose of investing, analysis and understanding.

2. Invest in Business –

The biggest and important rule of the share market is that whenever you invest, always invest in the business and not in stock. While investing, you see the business of that company, that is, see what business the company is doing and how it is doing. Invest in shares of a company whose business you understand.

3. Thoughtful Decision –

If you are deciding to invest in stocks, then to see the performance of the previous years of the company in which you want to invest, study their balance sheet and all the necessary financial statements thoroughly. Only after that decide to invest your money.

4. Get complete information –

When you are studying the shares of a company, do not only look at the Maximum and Minimum Shares Price but study the entire Share Pattern. Most of the investors make this mistake in the Share Price Level while investing, which causes them a loss in Long Term Investment.

5. Disciplined Investment –

Do not take decisions out of fear and greed in the ups and downs of the Shares Market, decide with your analysis and patience. Any investor who disciplines and patiently invests in the right shares of the right company can reap the benefits of the stock market for a long time.

6. Don't get carried away by emotions –

While investing in the stock market, be free from emotions like fear and greed and take decisions. Both these feelings can affect your decision and cause you harm.

7. Portfolio –

Only those people who keep diversification in their investment portfolio get the right benefits of this market. If you keep the shares of different companies by making a good portfolio of your investment, then you can minimize your risk.

8. Realistic Emotion –

Before investing, you have to do the calculation of Return of Investment i.e. ROI very carefully. If you earn at least 12% income in your investment, then this calculation will not be wrong. But if you are very excited and expect up to 50% income then sometimes this enthusiasm can hurt you heavily.

9. Use of extra money –

While investing in the share market, you should use that money that does not affect your main income and expenditure. Therefore, only your extra money should be used for investing in the stock market.

10. Sharp Eye –

After investing in the stock market, you not only have to pay attention to the ups and downs of the companies but also keep a close eye on the movements happening all over the world. Any incident or accident in any part of the world has a direct effect on the stock exchange. That's why you have to keep yourself updated all the time.