

SWATANTRA KUMAR EXPLAINS GREED AND FEAR

“There is a sufficiency in the world for man’s need but not for man’s greed.”

“He who fears, loses.”

Mahatma Gandhi

We already know the fears associated with investing. Greed can be of two types – the greed of earning more money, the greed of keeping the money you already have.

Greed and fear both are two strong emotions that you must avoid – even in the investment world.

Here’s why:



YOU SUCCUMB TO MARKET PRESSURES AND SELL

Markets are volatile. However, you can lose a lot if you react to every market change. Greed and fear both drive your selling decision.



YOU HOLD YOUR INVESTMENTS LONGER THAN YOU SHOULD

To make maximum profits, sometimes you have to sell your investments at the right time. But, sadly, your emotions overpower your decisions.



YOU BUY INVESTMENTS THAT MAY NOT BE A GOOD CHOICE

All that glitters is not gold. A seemingly profitable investment may end up being a wrong decision for you. Your investment decisions need to be thoughtful and not emotional.



YOU STOP YOURSELF FROM MAKING NEW INVESTMENTS

Greed and fear not only encourage you to buy investments, but they also stop you from buying investments that can turn out to be attractive.