

# Market corrections: 5 things to do

Over the last two weeks domestic markets have seen extreme volatility in line with global fall that has raised concerns among the investors. While such movements may put retail investors in a spot, investors may look to follow the following five tips:



**1** Don't rush into 'buy' just because a stock has got cheaper or fallen significantly. Buy only if there is fundamental value in terms of a particular stock or the stock market



**2** Don't panic and sell just because there is an expectation that markets will fall further – either due to bad domestic or international news. Understand what the bad news really means for the stock markets in the long term, and then decide what you want to do.



**3** Keep your financial goals in sight – were you are investing in the market for your long term retirement plan, or trying to make a quick return for a short term goal. If you were using stocks for a short term goal which cannot be deferred, cut your losses as you should never have been in stocks in the first place.



**4** Go back to your overall asset allocation mix – if you are underweight equities because of the correction, add exposure. If you are still overweight equities in spite of the correction, you may need to sell to rebalance.



**5** If you do not understand stocks yourself, seek professional advice or buy a good diversified equity fund with a good track record.

— Vishal Dikshit

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