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5 Mistakes New Investors Make During Market Falls

What to avoid when markets test your patience

Market falls don't just test portfolios...

They test behaviour.

When markets decline, uncertainty is natural. But often, the biggest mistakes investors make are not due to markets—but due to their reactions. Understanding these common mistakes can help investors stay disciplined during volatile phases.

➡ ***How you react today can define your future returns.***



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❌ MISTAKE 1

Stopping SIPs

"Market is falling... Let me pause my SIP."

Why It Happens

Fear of further losses leads investors to pause investments.

What It Causes

Interrupts the compounding process and reduces long-term wealth potential.

Reality

Market declines allow accumulation at lower prices—this is when SIPs work best.

👉 **Stopping SIPs during declines can significantly delay long-term compounding.**



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❌ Mistake 2: Selling at a Loss

Let me exit before it falls more.

Why It Happens

Emotional panic driven by falling portfolio value.

What It Causes

Turns temporary market declines into permanent financial loss.

Reality

Markets often recover sharply, and those who exit miss the rebound.

Key insight

👉 Exiting in panic often locks in outcomes that may have reversed over time.



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❌ Mistake 3: Listening to Noise & News.

Markets look risky... Everyone is saying so.

Why It Happens

Decisions driven by headlines, social media, and opinions.

What It Causes

Reactive decisions that are disconnected from long-term goals.

Reality

Most information is irrelevant for long-term investing.

👉 **Frequent exposure to market noise increases the probability of poor decisions.**



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❌ Mistake 4: Over-Checking Portfolio

"Let me check how much I lost today..."

Why It Happens

Anxiety during volatility leads to constant monitoring

What It Causes

Amplifies emotional stress & triggers impulsive decisions

Reality

Short-term fluctuations are normal and do not define long-term outcomes

Key insight

👉 Frequent monitoring amplifies emotions without improving results.



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✕ Mistake 5: Trying to Time the Market

"I'll invest when things look stable."

Why It Happens
Waiting for the "perfect entry point."

What It Causes
Missing meaningful market recoveries.

Reality
Markets often recover before sentiment improves.

➡ ***By the time it feels safe, the opportunity is already gone.***

Waiting for the perfect moment can result in missing the best returns.

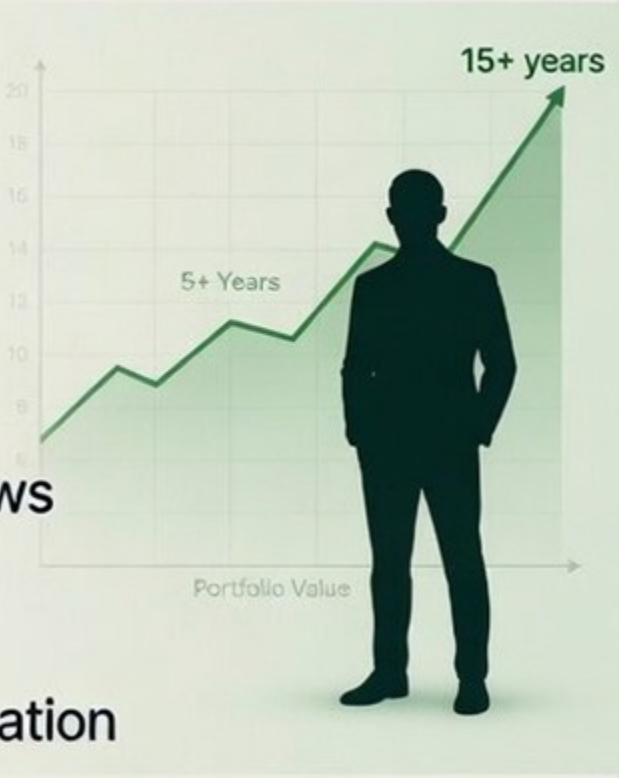


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What Should You Do Instead?

From Panic to Discipline: The Smart Investor Approach



- ☑ Continue SIPs consistently
- ☑ Stay aligned with long-term financial goals
- ☑ Limit reaction to short-term news
- ☑ Review portfolio periodically—not frequently
- ☑ Maintain disciplined asset allocation

→ **Market falls are temporary.** Behavioural mistakes can have lasting impact.

→ A disciplined strategy works best when guided with the right advice.

→ ***Stay invested. Stay disciplined. Wealth follows patience.***

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👉 *Disciplined investors don't fear corrections—they use them wisely.*

DISCLAIMER

This presentation is for educational purposes only and should not be considered as investment advice. Market movements are subject to risks. Past performance may or may not continue in the future. Investors are advised to consult their financial advisor before making any investment decisions.

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