How to invest in the Stock Market? Basic guide and tips



Investing in the Stock Market may seem complicated and for large entrepreneurs, but here we will give you the steps to follow so that you can invest in the Stock Market and be successful at the time of doing so.

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Have you ever thought about the possibility of **investing** in the **Stock Market,** but imagined that it was an exclusive market for senior executives and renowned brokerage houses? Actually, anyone with **money** and a little time to manage their investments can participate and invest.

What you have to keep in mind is that it is about your money,

your wealth, so it is essential that you consult an expert, go to an advisor and study very well what a Stock Exchange is about . Before starting any process, you must know the elements that compose it, its operation, the laws that regulate it (in Mexico it is the National Banking and Securities Commission (CNBV) and the community that makes it up.

Investing in the Stock Market is also a process that companies carry out when they need capital to finance their operations or their growth and expansion plans. This money can be obtained by giving part of the company to the investing public, that is, by **selling shares** . In this way, the company will become the property of many shareholders, who will have political and economic rights over it.

This is how it becomes a market for buying and selling shares of companies of different types and sizes. And any entrepreneur with a little capital can become a Stock Market investor. Which can mean an interesting way to increase capital.

The person should consider the investment in stocks as medium and long term. However, you can sell it at the time you want or need, but the price you get will depend on the liquidity of the market. So you could get back less money than you invested.

If you are a beginner in this topic, we share some basic steps that you should take into account:

1. **Make your investment plan and set profitability goals .** With this you will know how much you can invest in the Stock Market and for what term.
2. **Design your wealth management and decide what percentage of the total is going to be invested in the Stock Market.** It can range from 10% to 100%, depending on each investor.

3. **Know the investor profiles.** If you are going to invest, what type of investor would you be? You can be a passive one, that is, with a low risk and with less time to dedicate to managing your portfolio; or an active one, with a high risk, more hours, but you could invest in stocks or currencies. From banks to brokerage houses they have advisers to guide you in your investment, who indicate the risks and the mechanisms to be able to make the best decisions.
4. **Define investment objectives.** Why do you want to invest in the Stock Market? Keeping this determination in mind will make you avoid making decisions lightly and you will know how to withdraw when you have to to set new goals with new investments.
5. **To get started, it is recommended to choose an investment fund for debt instruments.** Review the historical returns of funds of this type that are in the market.
6. **Check the commissions that you will have to pay** (according to the investment channel you choose) in terms of purchase, sale and administration. Commissions can “eat” a good part of your earnings.
7. **Periodically review, together with your advisor, how your investments are going.** If they have not given the results you expected, evaluate the changes you need to make to refocus the path.
8. **Your advisor must give a timely and clear answer to all your questions, as well as help you invest** (build investment portfolios either with stocks or with different equity investment funds) according to your level of risk tolerance, term investment, financial goal, current financial situation, and so on.
9. **Invests only with financial intermediaries that are duly authorized** , regulated and supervised by the National Banking and Securities Commission.
10. **Invest in the Stock Market with an entrepreneurial vision.** Think about what great company you would like to

"own" and share in its profits. Investing in the Stock Market is not a game, it requires equity decisions.

11. **Invest only your surplus**
    Remember that in the Stock Market you should only invest that money that you will not need for at least six months, and that is a surplus of your savings.
12. **Always consider investing in stocks as a long-term investment** , the opening of the business of your dreams or your retirement – to name a few examples – will be your best ally.
13. **Take care of your investment term.** The stock market is volatile, do not panic if in the short term you have losses, hold on, do not sell. Probably at the end of your investment, it will be recovered.

In addition, we will give you a series of recommendations that you should follow if you want to increase your chances of success in this type of investment.

1. **Learn to do technical and fundamental analysis**
   Find and review all the investment manuals you can. On the internet you can find many.
2. **Rehearse and simulate**
   You cannot learn without experimenting. For this you have investment simulators so that you do not put your money at risk. Visit web portals like Accigame de Banamex where you can virtually invest and practice your knowledge.
3. **Find out about economic and political events**
   You will need to constantly check the newspapers and specialized magazines that report on all the markets that influence the funds in which you have invested. This way you will obtain the necessary information for decision making.
4. **Do not be guided by the forums**
   Remember that in these media many people think, in good and bad faith. Better stick to the technique you have

learned and be guided by more objective data.

5. **Do not increase the risks or your assets**
   Although the Stock Market is very attractive, preferably invest only your money. Keep in mind that “no one can assure you of a performance on the Stock Market”.
6. **Review the contract well**
   Find out about all your obligations as well as the brokerage house.

On the other hand, you will find a series of myths that you must put aside when making the decision to invest in the stock market, within them we find:

1. **Winning on the stock market is a matter of luck.** To obtain the expected returns, it is necessary to carry out an analysis, have an advisor and have the investment portfolio that matches your profile.
2. **You must be an expert.** In all brokerage houses and mutual funds they have teams that meet to analyze the financial markets. You are never alone in making decisions.
3. **When the crisis comes you must get your money.** Yes, there is a risk that investments in the Stock Market will fall, but in the long term they can recover.
4. **Investing in gold is a better option.** Not precisely, because it will depend on the price in the market, so it does not always mean that you can sell it more expensive than you bought it.

Finally, if your desire is to invest in the Stock Market, do not forget to be disciplined, have order in your finances, be constant and not invest all your assets.

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