



3 Warren Buffett Stocks to Buy in October

Description

October is absolutely the right time to buy a Warren Buffett stock. Of course, any other month is a great time as well. The legendary investor might not beat the overall market every year, but his long-term track record is phenomenal.

But which Buffett stocks are the best picks to buy right now? Here's why you should put **Amazon.com** ([NASDAQ: AMZN](#)), **Apple** ([NASDAQ: AAPL](#)), and **Mastercard** ([NYSE: MA](#)) at the top of your list.

1. Amazon

Although **Berkshire Hathaway** (NYSE: BRK-A) (NYSE: BRK-B) [revealed in May that it had begun to buy shares of Amazon](#) in the first quarter of 2019, the internet giant really wasn't Buffett's personal pick. Instead, Berkshire investment managers Todd Combs and Ted Weschler opted to take the plunge into Amazon. Buffett is probably glad they did: Amazon has handily outperformed Berkshire Hathaway stock so far this year.

Amazon is still a great pick for investors who aren't anywhere close to being billionaires. The company's e-commerce business continues to absolutely dominate the marketplace, thanks in no small part to its super-sticky Amazon Prime service. Its Amazon Web Services (AWS) has become an absolute juggernaut in the cloud computing space. These operations churn out gobs of cash for Amazon every day.

The company is using that cash to invest in fueling even more growth. Amazon's [wide array of new gadgets](#) is solidifying its place in the smart home technology arena. Twitch, a video-streaming company that Amazon acquired five years ago, just might mount a credible challenge to YouTube. And it won't be too long before the company begins [delivering packages via drones](#), at least to suburban areas.

2. Apple

Berkshire took a bite out of Apple several years ago. Earlier in 2019, Buffett stated in an interview that he [thought the stock was too expensive](#). But even the Oracle of Omaha isn't always right. Apple has jumped more than 35% since Buffett's interview comments.

Is Apple too expensive for regular investors to buy *now*? Nope. For one thing, Apple's shares are trading at a discount to the overall market and at a lower forward earnings multiple than Berkshire itself. Even better, the company claims a cash stockpile of close to \$95 billion. If you back that figure out, Apple's valuation is even more attractive.

More importantly, though, Apple could be set to deliver even more impressive growth in the near future. Orders for the new iPhone 11 appear to be strong. The company plans to launch a 5G version of its smartphone in 2020, a move that could really juice sales. Apple also reportedly intends to [launch its first augmented reality glasses early next year](#), potentially ushering in a sizable new market.

3. Mastercard

Mastercard is another stock for which Buffett led the charge years ago. It's been one of the biggest winners in Berkshire's portfolio so far this year, with shares soaring more than 45%.

Apple has played a role in Mastercard's success in 2019, with the companies [teaming up to offer the Apple Card](#) branded credit card. Investors have also been excited about [Mastercard's major move into cryptocurrency](#). More than anything, though, the company simply continues to generate strong revenue and earnings growth.

Mastercard possesses two things that Buffett really likes: a strong [moat](#) and great growth prospects. The company enjoys an oligopoly with three other big players in the credit card market. It also is poised for sustained growth as consumers continue to move away from using cash.

Buffett's favorite

It's pretty clear which of these three stocks is Buffett's favorite. The size of Berkshire's position in Apple is more than 37 times greater than its position size in either Amazon or Mastercard.

However, Buffett has always been a big fan of financial services stocks. He certainly has to like the contribution that Mastercard has made to the performance for Berkshire's portfolio over the last several years. And even though Buffett didn't personally pick Amazon, he has acknowledged in the past his "stupidity" in not buying the technology stock years ago.

All three of these stocks meet most of the [investing principles that Warren Buffett follows](#). In particular, they all have good management teams and have business models that will stand the test of time. Perhaps the most important of these principles for investors who buy Amazon, Apple, and/or Mastercard in October, though, is to have a long-term mindset. That's been the biggest secret to Buffett's success. And it can help you achieve investing success, too.

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TICKERS GLOBAL

1. NASDAQ:AAPL (Apple Inc.)
2. NASDAQ:AMZN (Amazon.com Inc.)
3. NYSE:BRK.B (Berkshire Hathaway Inc.)
4. NYSE:BRKA (Berkshire Hathaway Inc.)
5. NYSE:MA (Mastercard)

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