Warren Buffett Is Loving This Market Crash and You Should Too

Description

Oftentimes, markets can be confusing. News comes out about one topic and the market moves one way, then the next day different news moves the market the other way.

There is talk of a market crash and recession one month, and the next month markets reach all-time highs, so how can we decipher what's really going on?

One way to get insight into what the best-of-the-best investors think is to see what they are actually doing, as opposed to what they are saying.

You can see where they are investing their money or if they are paying down debt, which all helps to build a better picture of where the economy is and what's going on.

Obviously, as with anything in investing, the number one person to watch is Warren Buffett, and when you look at his portfolio, it's immediately noticeable what he is thinking.

Buffett has a record $128 billion in cash or cash equivalents just waiting to be invested.

He has done this in the past, building major cash positions when valuations got too expensive and waiting patiently for market meltdowns to deploy his capital and receive major bargains in the process.

Once again, it looks like Buffett is playing the patient game, receiving major cash flow from his established businesses and letting it accumulate into a major source of ammunition for the next market meltdown.

Investors can learn from this by making sure the investments they own are recession proof and have high-quality, long-term prospects.

It also doesn't hurt to build a little cash position in the short term, potentially selling off some high-risk investments ahead of any potential market danger.

What's most important is that you emulate Buffett when an inevitable market crash does come.

You may be tempted to sell stocks, but you need to refrain, especially if you know your companies are high-quality businesses. Instead, be patient and deploy your capital in the best companies on the TSX, as the market sells off and these top companies go on sale.

Enbridge (TSX:ENB)(NYSE:ENB) is the perfect example of a stock that investors can buy today for the long term at a nice discount. So far this week, as of Thursday's close, the stock is down by more than 8%, and its dividend yield is now up to a whopping 6.4%.

Enbridge is a massive $100 billion company that transports roughly a quarter of North America's oil and natural gas in addition to having other strong assets, like its utility business in Ontario.

Not only is it a great long-term stock, and a reliable company to own through a recession, but the stock is also a dividend payer, which are some of the best companies to own in poor economic times, and, in fact, Enbridge is actually one of the strongest Canadian Dividend Aristocrats.

It's already stated it expects to increase the dividend by 5-7% for the next few years, as it continues to expand its highly stable operations.

Stocks like Enbridge are ideal for investors, and it's the type of company Buffett would add to his portfolio considering it's such a cash cow.

The market sell-off has created a huge opportunity for investors, so don't wait too long or you could miss out on these deals altogether and miss your chance to buy this high-quality stock below fair value.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)

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