



Wise Words From Warren Buffett About Market Panic

Description

Everybody admires the Oracle of Omaha, Warren Buffett, for his incredible ability to invest in the right assets to beat the **S&P 500 Index**. Known as one of the best investors of all time, Buffett is renowned for his [approach to falling stock markets](#).

Unlike many investors, he does not panic when stock prices fall. Instead, Buffett looks at it as an opportunity to capitalize on the gains once the markets recover. During bull markets, he builds up his resources of cash to profit from the next bear market.

If you are worried about the stock market situation right now, I am going to tell you why Warren Buffett himself sees this as an opportunity. Additionally, I will discuss **Canadian Natural Resources Ltd.** ([TSX:CNQ](#))([NYSE:CNQ](#)), a stock that could help you capitalize on this opportunity.

Wise words from the Oracle of Omaha

Buffett has weighed in on the current market panic that has seen the **S&P/TSX Composite Index** fall by 7.75% since its peak on February 20, 2020. The coronavirus outbreak that began in China has spread to Iran, Northern Italy, and Korea. The number of cases in all four countries is increasing and sending global markets into panic mode.

Buffett told investors not to buy or sell stocks based on the headlines they are looking at right now.

Talking to CNBC, Buffett referred to stocks as businesses saying, “The real question is: ‘Has the 10-year or 20-year outlook for American businesses changed in the last 24 to 48 hours?’”

He also talked about the aspect of stocks outperforming bonds due to lower tax rates. Buffett said that if the corporate tax rates and overall low taxes right now prevail for the next few decades, equities will outperform fixed-rate and long-term debt instruments like bonds.

Following Buffett's advice

As the panic continues, an increasing number of investors will give in to fear and start selling off their shares. Stock prices will continue to fall across the board. The opportunity is ripe for purchasing shares of high-quality companies that can weather the storm and come out strong once the dust settles.

Canadian Natural Resources could be a fantastic option to consider to this end. It is the largest oil sands producer in the country. Despite shaky oil prices, CNQ continues to generate [substantial free cash flow](#) in the Canadian energy sector.

CNQ is trading for \$33.15 per share at writing. Since its January 14, 2020 peak, the stock is down by more than 21%. Where many shareholders might see this as a worrying sign, I think its lower share prices make it attractively valued. Once the markets recover, CNQ is likely to become profitable again and bounce back stronger than ever.

Foolish takeaway

Buffett talks about being fearful when others are greedy and greedy when others are fearful. I think the possibility of a stock market meltdown can offer investors the opportunity to buy shares of high-quality stocks at attractive prices.

CNQ could be an ideal asset to start leveraging the opportunity. The stock has a 19-year dividend-growth streak. At the current share price, CNQ offers a juicy dividend yield of 4.52% to shareholders. I think investing in the stock could be well worth it once the markets begin to recover in the long run.

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