



Warren Buffett Has Vanished: 2 Stock Sectors He Could Be Aiming at Now

Description

Warren Buffett is the most successful investor we have seen. Dubbed the Oracle of Omaha, Buffett has shown time after time how intelligent money moves can help investors take advantage of a market crash. We saw it in the bear market of 1974, and we saw it in the recession of 2008.

He is famously quoted for saying, "Be fearful when others are greedy and be greedy only when others are fearful."

Warren Buffett's office has announced that he will not be speaking to the public until May. The most successful investor is not saying anything to the masses during the current [market meltdown](#). Still, we can rest assured that he is not sitting idle.

Cash in hand

If you are feeling bad about your losses, it might make you feel slightly better to know that Warren Buffett has likely suffered far greater losses amid the market meltdown than you. It will be a while before we learn whether or not he has bought anything during the downturn. We know for certain that he is not panicking right now.

Warren Buffett has suffered more than US\$100 billion in paper losses through **Berkshire Hathaway** during the recent market correction. However, the company is believed to be sitting on a hoard of US\$125 billion in cash. That is a substantial amount of money Warren Buffett can use to buy up shares of high-quality stocks at bargain prices.

Buying on the dip

A significant part of the economic cycle is that the market does not just crash and crumble. Once the dust settles, the markets always recover. This is the situation where Warren Buffett's words about being greedy when others are fearful come in so handy for investment advice.

With so much cash in hand, Warren Buffett can afford to bear the losses of the market crash for now and capitalize on buying up shares at an irresistible bargain. While I wouldn't dare presume what the Oracle of Omaha might invest in during this time, I have a strong inclination that it could be something like the **Cineplex Inc.** ([TSX:CGX](#)).

Cineplex had a fantastic 2019 in terms of stability. The company's shares were trading around the \$34 per share range from December 2019 to February 2020.

Since the market correction stuck, the stock is down by more than 67% from its price on February 26, 2020. Last month, Cineplex announced the temporary closure of its network of movie theaters, including the Rec Room and Playdium facilities. The shutdown of its operations has driven the stock to new lows and decimated investor wealth.

Several senior executives of the company took pay cuts, and the company announced layoffs of temporary workers. Once the lockdown restrictions subside, however, the stock could see a significant surge.

It could even see a rise in customer footfall that is greater than the pre-pandemic time due to the possibility of people wanting to socialize more after quarantine.

Foolish takeaway

Warren Buffett is an investor who capitalized on [market crashes in the past](#) to become even wealthier. With Berkshire Hathaway sitting on a lot of cash right now, the Oracle of Omaha could be sizing up companies as the market bottoms out.

It would be wise to buy a stock that presents significant potential for growth as the markets recover. Cineplex could be an ideal pick to this end.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:CGX (Cineplex Inc.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Investing

Date

2025/08/27

Date Created

2020/04/09

Author

adamothonman

default watermark

default watermark