



Warren Buffett: The Calm Before the Storm

Description

Warren Buffett is a man of his words. The financial wisdom he shares with the world is reflected in his investment decisions as well. And as someone who made a lot of money buying desolate businesses in the last recession, why would a man who said “be greedy when others are fearful” be so quiet? Warren’s **Berkshire Hathaway** is sitting on one of the largest cash piles in the investment world, and it is ominous to see if that it hasn’t been put to use yet.

There are many speculations behind this inactivity. Some say that he might be buying behind the scenes, quietly capitalizing on the situation. Other, less-optimistic people believe that the worst has yet to come, and Buffett is waiting for that time. In the current situation, you would be lucky if you have enough cash lying around to make investments. If you do, how should you emulate Buffett’s “supposed” strategy? Should you quietly buy now or wait for a deeper dip?

Buy now

The market was hit pretty hard, but the last couple of weeks have been a bit better. The S&P/TSX index rose over 24%, and many stocks started showing signs of recovery, at least for now. But even during the slump, not every stock fell equally hard; neither would the recovery be the same. If you are looking to buy now, you should consider stocks that are still available at highly discounted prices.

Canadian Apartment Properties REIT, or CAPREIT, is a Dividend Aristocrat. The company has an eight-year history of slowly but gradually increasing its payouts. It’s also a decent growth stock. The company manages over 65,000 residential rental apartments, making it one of the largest REITs in the country. It has a market cap of \$7.6 billion.

Currently, the stock is available at \$44.79 per share — a 26% discount from its yearly high. The yield right now is at a modest 3.13%. But the growth prospect it offers [is significant](#). Its five-year CAGR is at 12.5%.

Buy later

If you believe that the market is going to go down further, and you will buy when stocks truly hit rock bottom, you have to look for very strong companies. You have to find businesses that can survive even after plummeting due to a pandemic for months.

One such company is **Fortis**. It's one of the oldest aristocrats, and it's a utility company. It provides electricity and gas — two necessities that people will require no matter how tough things get. It has already shown its resilience. The stock fell 28% at the end of March, and it's already on its way back up. Currently, it's trading at a mere 5.3% down from its yearly high.

If you are looking to buy a good stock on the dip and hold it for a while, then Fortis can be [an amazing choice](#). If history is any indicator, the stock has the potential of rewarding you with continuously growing dividends as well as capital gains.

Foolish takeaway

When Warren Buffett speaks, the market listens. But it's hard to listen when the Oracle of Omaha is quiet. So, you should listen to his past wisdom. Find good business — good companies that you believe will recover — and invest in them.

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