



2 Ways to Invest Like Warren Buffett Right Now

Description

One of the best ways for investors to increase their odds of success is to emulate the behaviour of the best in the business. Warren Buffett has grown into an investing legend over the last half century. When he speaks, the investing world tends to hold its breath. His instincts have proven sharp, but it is also the weight of his wallet that can move markets.

Buffett expressed skepticism that the COVID-19 outbreak could cripple the U.S. economy in any meaningful way back in February. The federal and state governments have opted to pursue lockdowns and social distancing measures to contain the outbreak, and this has had a catastrophic impact on the economy. Meanwhile, Buffett is making moves to adapt to this dangerous environment.

Today I want to look at two ways investors can try to invest like Warren Buffett in these uncertain times.

Warren Buffett retreats from his airline bet

In early March, I'd discussed the [big bet Warren Buffett](#) was making on the airline sector. Buffett made large purchases in **Delta Air Lines** stock, as well as **American Airlines**, **Southwest Airlines**, and **United Airlines**.

I'd suggested that investors may want to consider buying-the-dip in **Air Canada** stock. Shares had dropped 63% over the past three months as of late afternoon trading on April 16.

At the same time, I'd warned investors that the sector may be in for a bout of turbulence that would rival the dark years after the September 11, 2001 attacks. Recently, Buffett's company **Berkshire Hathaway** reportedly sold nearly 13 million shares of Delta and 2.3 million shares of Southwest Airlines.

While this is still a fraction of the company's airline holdings, but it's worth noting as governments move to extend lockdowns.

Liquidity and hard-hit sectors

Warren Buffett's firm Berkshire Hathaway reportedly had a war chest of roughly \$128 billion at the end of 2019. Berkshire has worked to raise more capital early this year, which may indicate that it is looking to take advantage of depressed assets in this crisis. However, for the time being, it appears that Buffett is biding his time.

Some reports indicate that Buffett has his eyes on in-crisis sectors like hospitality and entertainment. **Great Canadian Gaming** is a Canadian stock that was on a roll before the COVID-19 outbreak.

However, the lockdowns will prevent its casinos from operating, and its hotels will see a decline in overall activity. I'm still bullish on this stock in the long term. Casinos are profit machines, and its recently won GTA bundle will provide a big boost in revenue for the next two decades.

Cineplex is another stock to watch in the [entertainment space](#). The theatre industry has been hit hard during this crisis, and some of the top companies may require a bailout when all is said and done.

Warren Buffett recently lost out on big gains by dumping **Disney** stock early. He may look to take another spin in the cratering entertainment space going forward.

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