Warren Buffett Silence Broken: Here’s What He Said

Description

Market crashes are simultaneously some of the worst and best times for investors. Warren Buffett and his firm **Berkshire Hathaway** have amassed fortunes making smart moves during past market crashes. But this one was different. Even when the market was at its lowest point, Buffett didn’t make a move, even though the company is sitting on a lot of cash.

Even more pronounced than Buffett and his company’s lack of activity was his silence. But it was finally broken in Berkshire Hathaway’s annual meeting. Buffet virtually conducted the meeting and spoke for well over four hours. The meeting was insightful in many ways. While it was mainly for U.S. investors, there were some takeaways for Canadian investors as well.

Here are two key takeaways for Canadian investors:

Airline investment prospects

The airline business is one of the worst victims of pandemic’s economic onslaught. Major airlines across the globe, including the two largest ones from the U.S. have suffered great losses. While several investors consider airlines a taboo investment right now, some optimists believe that airlines will make a full recovery. But apparently, Warren Buffett isn’t one of them.

The Wizard of Omaha cut his losses and dumped his entire stake in the airline industry, which not only pushed the stocks down even further, but also lowered the investor morale regarding the industry. Buffett claimed that he was wrong about the business.

As an investor, you may want to decide if you wish to emulate his example or stay positive about the future of the airline industry.

Investment opportunities

Warren Buffett clearly stated that he would buy if he saw a good investment opportunity. But in the last quarter, Berkshire Hathaway sold over three times more than it bought, indicating that the Wizard of Omaha is focused more on cutting his losses than he is on cultivating new investment opportunities.

But the problem is that Warren Buffett can afford to ride out the wave until he and his company are comfortable investing again. For small investors, this kind of buying opportunity doesn't come around often. So it might be high time to consider good businesses like **Granite REIT** (TSX:GRT.UN). The company is a Dividend Aristocrat and it's currently offering a juicy yield of 4.56%.

It has an adequate return-on-equity (13.5%), and its short-term liquidity ratios indicate that the company isn't in danger of defaulting on its debts. But perhaps the best reason to consider this stock is its growth.

It grew its market value by over 96% in the past five years. Currently, it's still trading at a 16% discount from its high yearly value, for $62.7 per share at writing.

Foolish takeaway

Learning from Warren Buffett's wisdom and emulating his every move are two very different things. It's a simple issue of scale. His investment decisions reflect more than simply his investment philosophy.

This is why not all of his decisions translate smoothly for everyday investors. But you should still try to learn from his wisdom and from his take on the market.

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