



Did Warren Buffett's Luck Finally Run Out?

Description

Warren Buffett usually goes on a buying frenzy in a [bear market](#). In 2020, however, the investment appetite is gone. The renowned billionaire is a changed man. His conglomerate, **Berkshire Hathaway**, is losing billions. It begs the question now on whether Mr. Buffett has finally run out of luck.

Failing investments

The value investor appears to be uncomfortable with his stock investments. Most of them are failing him, particularly airline stocks. As of March 31, 2020, Berkshire has [zero holdings](#) in the airline industry. The company also sold its entire holdings in **Phillips 66**, an American oil and gas company.

Buffett is reducing risk and raising cash in the wake of COVID-19. He is mostly selling and lowering stakes in some of the biggest corporate names in the U.S. Berkshire cut its stakes in **Amazon**, **General Motors**, **JPMorgan Chase**, and **Goldman Sachs**. The stake at Goldman was diminished by 84%.

Apple is the largest of the conglomerate's equity investments. **Restaurant Brands** and **Suncor Energy** are the only Canadian stocks in Berkshire's portfolio. Interestingly, Buffett bought only one stock in the first quarter of 2020 — **PNC Financial Services**, a regional bank.

The moves of Buffett didn't sit well with some investors, however, who are selling their Berkshire shares because they feel that the investments of Berkshire are proving to be duds. Berkshire has US\$137 billion in cash, although it appears the company will not enter into any big deal in the coronavirus era. Besides, Buffett fears another market crash.

Dividend all-star

If you're looking to invest in a regional bank in Canada, consider **Canadian Western Bank** ([TSX:CWB](#)). This \$1.79 billion bank is based in Edmonton, Alberta and serving clients in Western Canada.

The bank offers the same financial products and services the Big Five banks are offering. From an investment standpoint, you will be investing in a dividend all-star. This regional bank stock has a dividend streak of 28 years. At \$20.52 per share, you're getting an excellent deal. The dividend yield is a fantastic 5.71%.

Canadian Western is also the bank of choice of small and medium-sized companies. In the 2020 pandemic, these companies are getting valuable help. Canadian Western is extending financial assistance that will cover non-deferrable operating costs.

Management is aiming to make Canadian Western the pre-eminent full-service bank for business owners. The bank is on track to achieve the objective. For the next five years, the growth estimate is 11.70% per annum.

Skills not luck

Luck has nothing to do with the success of Warren Buffett as a value investor. He has the skills and experience as well as an investment philosophy. He bought his first stock at age 11 and became a billionaire in the mid-50s. As of April 2020, his net worth is US\$67.5 billion. The multi-billionaire is turning 90 on August 30, 2020.

Buffett's long-term view indicates he is a patient man. If he thinks the market is crashing again, he'll wait and not rush to invest. Perhaps he will resume investing on his 90th birthday when, hopefully, the pandemic is over.

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