



The World Is Watching Warren Buffett's Latest Moves

Description

The world is anxiously waiting for the COVID-19 vaccine to arrive, but the timeline is unclear. Developing a universal coronavirus vaccine could take a year or more. The process is complicated and lengthy. People need to follow safety protocols for now to avoid infection.

Meanwhile, the investment world is waiting for the next moves of Warren Buffett. The billionaire investor already dumped his entire holdings of [airline stocks](#). All eyes are watching him. When Buffett moves, the market moves.

Market snub

Buffett has become a timid investor in 2020. He's no longer an aggressive buyer as he was before, when the market is crashing. There is no urgency to go bargain hunting. For more than 60 years, Buffett thrived with the value investing strategy. Every investor wants to follow his footsteps and achieve the same success.

However, it took a one-two punch (coronavirus outbreak and oil price slump) for Buffett to contradict his investment approach. His snub of the market today is baffling investors. His conglomerate, **Berkshire Hathaway**, is sitting on a US\$137 billion cash pile, yet it remains untouched.

Market crash ahead

If you're anticipating Buffett's upcoming move, there likely won't be any. The greatest investor in modern times believes the 2020 bear market is far from over. According to Buffett, the stock market will be a giant sinkhole. Thus, the practical thing to do is nothing.

Buffett is displaying a different persona following the earlier market crash. His usual advice is to be greedy when others are fearful. At present, he's more afraid than others.

Market choices

Aside from airline stocks, Berkshire sold all **Phillips 66** shares. As of March 31, 2020, Buffett's empire has only two energy stocks in its portfolio. The company is keeping **Occidental Petroleum** and **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)), although at reduced stakes.

Berkshire only sold 70,000 shares despite Suncor's extensive exposure to the oil price crash. The current holding is almost 14,500 shares worth US\$236.2 million. The [oil sands king](#) still enjoys Buffett's confidence.

Suncor is Canada's largest integrated energy company and is one of the Dividend Aristocrats on the **TSX**. This \$36.44 billion firm is into oil sands developments, offshore oil production, biofuels, and wind energy. It also has a network of over 1,500 Petro-Canada that sells refined fuel.

The Q1 2020 performance of Suncor is the complete opposite of Q1 2019. Due to the massive oversupply of crude oil and a significant dip in demand for transportation fuels, the company reported shocking numbers. The operating loss for the quarter was \$309 million versus the \$1.21 billion profit the prior year.

Management is assuring investors that the integrated business model and balance sheet strength will carry the company through the storm. The announcement of a dividend cut, however, was disappointing. As of writing, Suncor is trading at \$23.39, with a dividend yield of 3.51%. Year to date, the energy stock is losing by 43%.

Market influence

To this day, Warren Buffett's investment philosophy is very applicable. He can also influence the market with every move. Suncor is standing on shaky ground. Buffett will not think twice about ditching another losing proposition.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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1. NYSE:SU (Suncor Energy Inc.)
2. TSX:SU (Suncor Energy Inc.)

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