The Greatest Stock Trade of All Time Just Happened

Description

No one should be winning in the 2020 market crash after COVID-19 whiplashed nearly all sectors in the stock market. But one investor executed the greatest stock trade of all time. The name happens to be Bill Ackman, not Warren Buffett. Ackman was able to net an incredible $2.6 billion in profit.

Fork in the road

Bill Ackman knew just what to do when he arrived at the fork in the road in February 2020. His hunch was that the coronavirus pandemic would impact profoundly on the stock market, believing that too many investors were not pricing the market correctly.

The hedge fund manager and founder of U.S.-based Pershing Square Capital Management read the market correctly. Ackman warned, “Hell was coming,” although he did not stop buying stocks even when the market was bottoming out.

Winning strategy

Ackman needs to decide, as COVID-19 was spreading spreading. The market risks and volatility were exploding. Ackman’s instinct was to protect Pershing’s most significant clients, pension funds for teachers and emergency medical workers.

His hedge fund management company bought $27 million worth of credit protection on various global investment-grade and high-yield credit indices. The move was aimed at protecting Pershing from steep stock market falls. After cashing in on March 23, 2020, the hedges generated a $2.6 billion windfall.

Seeking growth opportunities

Pershing was able to protect 100% of its investors’ 58% gain in 2019 because of Ackman’s brilliant maneuver. Similarly, Pershing sold its entire stake at **Berkshire Hathaway** in May, as Ackman feels he wouldn't generate higher returns from Buffett's slow and steady pace. His group is looking to invest in higher-growth opportunities.

Ackman sees strong growth potential in the healthcare space. Pershing increased its holdings in Agilent Technologies, a manufacturer of analytical laboratory instruments and equipment.

TSX counterpart

If you're looking for a **TSX** healthcare stock with promising potentials, **WELL Health Technologies** (TSX:WELL) is worthy of consideration. This $370.89 million company owns and operates a portfolio of primary healthcare facilities. It also provides digital electronic medical records (EMR) software services, and telehealth services.

Market analysts covering WELL are forecasting the stock to climb by 26.81% in the next 12 months. As of writing, the price is $2.76 per share. The bullish sentiment stems from the fantastic year-over revenue growth in the first quarter of 2020.

WELL reported record quarterly revenue (quarter ended March 31, 2020) of $10.23 million or a 38% jump from the same period in 2019. The adjusted EBITDA loss, however, was $245,932. Still, the business outlook is very encouraging.

The WELL EMR Group digital services saw a 918% revenue growth for the quarter. These revenues come from the high margin and recurring Software-as-a-Service (SaaS) revenue of its OSCAR EMR related services.

Since the launching of WELL's VirtualClinic+ telehealth service in March 2020, over 800 healthcare practitioners are on board. The virtual booking appointment is now 1,000 per day. Expect WELL's clinical revenue to be resilient and swell even more as its owned clinics remain open throughout the health crisis.

New trailblazer

Bill Ackman might be the billionaire to watch in 2020 rather than Warren Buffett. The activist investor is winning over the value investor.

CATEGORY

1. Investing

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1. TSX:WELL (WELL Health Technologies Corp.)

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