



## Warren Buffett: Are We in the Eye of a Stock Market Tornado?

### Description

What are the odds of another stock market crash happening? Market observers believe the [shockwaves](#) aren't over. Look at Warren Buffett, for instance. The Sage of Omaha isn't buying as much, although the crowd is egging him to move. His conglomerate, **Berkshire Hathaway**, has the liquidity but wouldn't budge.

Traders are cashing on the recent market rally — except for Buffett, who's not joining the buying frenzy. It appears we are in the eye of a stock market tornado. Now is not the time to be reckless.

### Waiting for new opportunities

There is an overflow of optimism among some investors at present. Many are even [criticizing Buffett for his inaction](#) in 2020. "A pin lies in wait for every bubble," Buffett once said. Rather than rushing for easy money, he is waiting for the bubble to burst.

Buffett is resisting the hype and controlling his nerve. He feels the market will crash soon. When the bubble inevitably burst, that is the time to make huge profits. New opportunities will open, and he could maximize returns. Maybe that's the game plan.

### Reckoning is coming

Buffett's biggest concern is the fallout from the pandemic. The possibilities are endless if the world is dealing with a health and economic crisis. Economies are off track following the lockdowns. It's hard to factor in the magnitude of the coronavirus outbreak.

Still, Buffett is optimistic that equities are "enormously sound investment." Stocks will always outperform treasuries and cash hoard. He adds that if you owned a company you liked before the coronavirus arriving, it changed prices, but nobody is forcing you to sell.

## Multi-trillion dollar opportunity

The GOAT of investing has long been avoiding the technology sector. He admits the lack of understanding of the business. But he regrets not investing in **Amazon.com** when Jeff Bezos' baby was not yet the king of e-Commerce.

**Shopify** ([TSX: SHOP](#))([NYSE:SHOP](#)) is fast becoming the next Amazon. I won't be surprised if Buffett also regrets missing the rise of this Canadian tech stock. The stock performance during the pandemic is short of spectacular.

This \$148.35 billion provider of a cloud-based multi-channel commerce platform is the largest company on the **TSX** in terms of market capitalization.

The company that started as an online seller of snowboarding equipment is only 16 years old. The tech stock is flying high, with its 140.7% year-to-date gain.

The retail landscape is dramatically changing in favour of the e-commerce market. Online retailers are benefitting from the behavioural shifts. It would be long before people fill up physical stores again. Digital sales are accelerating at blazing speed and spawning a multi-trillion-dollar market opportunity globally.

Shopify is continually growing and will garner a bigger market share post-pandemic. Small businesses are turning to e-commerce to make up for in-store sales losses during the lockdowns.

Shopify is mainly responsible for the seamless shift. The company is now the number two online commerce platform in the U.S. after Amazon.

## Unclear future

Warren Buffett gives a simple explanation about his seeming loss of investment appetite in the pandemic. Why gamble if the future is much less clear to you?

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
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