



Warren Buffett: Don't Give Up on Him Yet!

Description

Warren Buffett is out of touch, doesn't understand the current market, has gotten too cautious for his own good, or is too old to make risky moves. These and plenty of similar remarks have been floating around in the stock market about someone who is undoubtedly one of the most successful investors in the history of trading.

Most likely, Warren Buffett himself doesn't care about what these people think of him. If criticism or public perception could bring him down or sway his decisions, he wouldn't have reached the heights that he has. And even though I am not a believer in emulating him in every turn of your investment career, there is no reason for people and investors to give up on him or his advice, which has been proven right time and time again.

Warren Buffett: Still as sharp as he used to be?

It would be too presumptuous to comment on the mind, decision making, and strategizing of an investor who has seen so much of the market. Buffett has seen multiple recessions and corrections and at least one depression in his lifetime. His wisdom and experience of living through these events are certainly more potent than young investors who have only read and heard about these events.

It means that his "reading" of market recovery, investor optimism, and behaviour, during and after recessions and market crashes is likely to be more accurate. So, he had his reasons for staying out of the action during the peak of COVID-19 crash.

And he hasn't been as quiet as people believed earlier. Buffett and his company **Berkshire Hathaway** (actually, one of its subsidiaries), finalized a U.S. \$10 billion deal to buy a stake in a natural gas facility and a 7,700-mile pipeline from **Dominion Energy**. Whether it's just a one-off move or Buffett is finally putting his huge cash pile to use is yet to be seen.

Following the move

If you want to follow the Oracle of Omaha and wish to buy into a pipeline company, I will urge you to reconsider. The future of energy is too uncertain for investors like us who may not have the grasp of the sector and global market that Buffett has. A way to play it safe would be to invest in something a little more stable, like **Northland Power** ([TSX:NPI](#)). It's a \$6.9 billion [green power company](#) that has been in the business for 32 years.

Northland has a gross operating capacity of over 2.4 gigawatts. The company owns and operates on-shore and off-shore wind farms and solar and natural gas power-generation facilities. The bulk of its electricity comes from off-shore wind farms, gas, and biomass.

It's decent growth as well as dividend stock. It [pays monthly dividends](#) of \$0.1 per share, which translates into a good-enough yield of 3.5%. Its returns have been 180% in the past five years, which makes for a very juicy CAGR of 22.95%. The company offers a return on equity of 30.3%.

Foolish takeaway

Warren Buffett is and always will be remembered as one of the most successful investors who have ever lived. And even investors, speculators, and critics who do not share his views on tech stocks or assets like Bitcoin agree that Buffett's take on the market and subsequent moves have mostly been right. He makes mistakes like the rest of us, but they are paltry compared to how many times he has gotten things right. So, there is no reason to give up on him yet.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:NPI (Northland Power Inc.)

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