



Warren Buffett's Latest Market Crash Moves Are Revealing

Description

The world is anticipating the production of a viable COVID-19 vaccine that can help it return to a level of normalcy, as the pandemic has no visible end. It is unclear how long it will take for an effective vaccine to become available on the market, and being careful is all we can do until that time.

In the meantime, the investment world is constantly looking at the moves that Warren Buffett is making to see which direction he goes. Recently, Buffett's **Berkshire Hathaway** made a significant market move to secure the purchase of **Dominion Energy's** natural gas assets for around US\$10 billion, including its debt.

I will discuss what the latest market crash moves reveal and what you could possibly consider doing to emulate the Oracle of Omaha.

The massive hoard of cash

It is no secret that Warren Buffett has long been preparing to make significant market moves. His company amassed a massive US\$137 billion in cash before the pandemic began. However, the elephant-sized transaction didn't come for the longest time. The market tanked and recovered, but Buffett did not make any significant moves.

Some investors might argue that Warren Buffett might have wasted an opportunity by staying on the sidelines with the March 2020 crash. While US\$10 billion in Dominion Energy seems like a massive deal, the deal is not as glamorous as Buffett is capable of. He continues to play it safe, and that could be a sign that Warren Buffett anticipates something that most investors do not see yet.

Uncertainty amid the rally

The sudden recovery of stock markets worldwide, even without the development of a vaccine, is confusing. The Canadian market continues its upward climb, despite millions still being unemployed. Open businesses are far from operating at full capacity, and unemployment is high, but the market

keeps rallying.

Several factors can turn the market on its head again, as companies begin to announce second-quarter results for fiscal 2020. Recent acceleration of coronavirus cases in the U.S. could further damage investor confidence in the stock market. Fear and uncertainty might continue to plague consumer behaviour.

Playing it safe

Warren Buffett's focus on safety implies that he imminently expects [another market crash](#). The massive hoard of cash that Berkshire Hathaway is sitting on could be the perfect cushion for the billionaire. Buffett has significant investments in utilities that protect his capital. The utility sector generates stable cash flow, even during economic downturns.

Canadian investors can consider several excellent investments in the Canadian utility sector. I am particularly interested in an industry that has the potential to boom in the coming years: renewable energy.

To this end, I think **Brookfield Renewable Partners** ([TSX:BEP.UN](#)) ([NYSE:BEP](#)) could be the perfect stock to consider. The company owns some of the best renewable energy assets. Renewable energy is potentially a \$10 trillion opportunity over the next 10 years. BEP invests in infrastructure that is already generating cash flows, and it can earn substantial income to finance its juicy 4.07% dividend yield.

At writing, BEP trades for \$73.30 per share. It is up 66.74% from its price at the March 2020 market bottom, and it is already trading for 23.71% more than its price at the start of the year. It is rare to find opportunities in the stock market that can secure reliable dividends *and* substantial growth. Renewable energy could offer you the best of both.

Foolish takeaway

As the world waits to see how the situation with the pandemic develops, investors need to make investment decisions to preserve and grow their wealth carefully. If you want to [follow the footsteps of Warren Buffett](#), I would advise considering safe options. However, that does not mean you have to compromise on growth. To this end, I think BEP presents you with an excellent option to consider.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)

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