



Warren Buffett Doesn't Care if You Think He's an Idiot

Description

Bashers and critics ganged up on Warren Buffett during the coronavirus epidemic. Some said he's a washed-up investor, while a day trader called him an "idiot" for ditching all his airline stocks. However, the Sage of Omaha doesn't care if you think he's an idiot.

Day traders can't hold a candle to the [GOAT \(greatest investor of all time\) of investing](#). They might be earning thousands a day, but they don't have US\$137 billion cash stockpile. The **Berkshire Hathaway** chairman missed out on the big rebound in Q2 2020, but he did not regret the decision.

Out of the ordinary

The inaction of Buffett at the height of the market selloff was uncharacteristic. Many were casting doubts over his methods. His first significant deal came in early July 2020 when he used almost \$10 billion to buy the natural gas assets of **Dominion Energy**.

Buffett appears to be preparing for the broadest range of possible futures. The uncertainty in the present environment is [out of the ordinary](#). A resurgence of COVID-19 is possible, which could lead to a massive lockdown. Unemployment rates could remain high, and failed clinical trials on vaccine development could dampen investor confidence.

Words of wisdom

On a positive note, Buffett says, "Bad news is an investor's best friend. It lets you buy a slice of America's future at a marked-down price." During times of recession, stock values decline and give investors an opportunity to build a solid portfolio. Some of the top stocks could become affordable in the second half of 2020.

Remember that Buffett's approach has always been long term. Berkshire bought US\$1.7 billion worth of **Bank of America** shares from June 30 through July 30, 2020, to raise total holdings to US\$25 billion. It's now the second-largest holding of the company after **Apple**. The move is typical of Buffett.

He's buying on weakness.

Buy on weakness

If you were to adopt Buffett's strategy and choose a bank stock, Canada's largest bank is the hands-down choice. Like Buffett's favourite bank stock, the shares of **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) are trading at a discount. Its current share price is \$92.40, which is nearly 7% cheaper than the 2019 year-end cost. The dividend yield is a lucrative 4.68%.

The key takeaway is that Canada's banking industry is vibrant and embodies stability. All Big Five banks have a dividend track record of more than a century. For Royal Bank, dividend payments have been consistent for 150 years. You can amass a fortune or build retirement wealth from this \$131.5 billion banking giant.

TSX blue-chip stocks like Royal Bank of Canada holds the highest value on the exchange. The companies are decades old, well capitalized, and financially stable. This bank stock is also your safety net during economic meltdowns. You can invest with confidence, because it possesses the elements of stability and permanence.

Buffett is the master

No day trader can beat Warren Buffett at his game. He's a master of using weakness to his long-term advantage. Criticism doesn't affect him either. In the 2020 financial crisis, his objectives are to protect his investors and keep plenty of cash to navigate the perils ahead better. If that is not savvy, tell me what is.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

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1. NYSE:RY (Royal Bank of Canada)
2. TSX:RY (Royal Bank of Canada)

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