



## Warren Buffett: Bet on This Stock Right Now!

### Description

Warren Buffett is in a strange place. He's refusing to buy beaten-down airlines stocks like **Air Canada** but holds onto high-growth tech [darlings](#) like **Amazon**, an investment he neglected to make for nearly two decades.

But Buffett is particularly enamoured with one stock in particular — so much that he made a multi-billion-dollar bet last quarter. When you look over his portfolio, he clearly thinks this is the best buy on the planet.

### Fear is rising

Since the coronavirus pandemic began, Buffett put on a brave face. Recent revelations put that bravery in doubt.

According to David Kass, a finance professor at the University of Maryland, Buffett may have sold his entire stake in **Wells Fargo**. This is a rare move. The Oracle of Omaha is known for his long-term approach, and Wells Fargo was one of his longest-tenured positions.

"Berkshire's stock sales, its list of top holdings, Wells Fargo's fake-accounts scandal and balance-sheet restrictions, and Buffett's \$2 billion spending spree on **Bank of America** stock all support a disposal," Kass said.

This isn't the only curious transaction from **Berkshire Hathaway** (NYSE:BRK.A)(NYSE:BRK.B).

"Warren Buffett's Berkshire Hathaway Inc said on Friday it has sold much of its stake in **Goldman Sachs Group Inc**, despite the billionaire's assurance that the banking sector was not a 'primary worry' for him during the coronavirus pandemic," [reported Reuters](#).

This wasn't the only asset disposal. "Berkshire sold its remaining small stakes in the insurer **Travelers Cos** and oil refiner **Phillips 66**, and tweaked several holdings," Reuters added.

To add to the mix, Buffett also sold all of his airline stocks. Months before, he told reports that he “wasn’t selling.” Things change fast in the new coronavirus reality!

## Buffett is buying this stock

Of course, Buffett and Berkshire Hathaway are still heavily invested. The bulk of the portfolio is deployed through equity stakes and outright ownership of multi-billion-dollar businesses.

But there’s no denying that he’s being cautious in the current market. Just look at his growing cash hoard. Berkshire Hathaway has \$150 billion in cash versus a market cap of \$500 billion. That means more than a quarter of the firm’s value is tied up in cash.

Buffett is being cautious, but there’s one stock he loves: his own.

According to *Markets Insider*, his holding company spent “between \$7.4 billion and \$7.6 billion on Berkshire shares from the start of May to the end of July, smashing their previous record for buybacks in a three-month period.”

As always, “the buybacks indicate that Buffett views Berkshire stock as undervalued, given his policy is to only repurchase it when it trades below a conservative estimate of Berkshire’s intrinsic value.”

Buffet doesn’t like airlines. He doesn’t like Wells Fargo, Phillips 66, Goldman Sachs, or Travelers. He dislikes the stock market so much that he’s willing to sit on a historic cash hoard.

Yet Berkshire Hathaway, the company he knows best, is seemingly a worthwhile bet. The stock trades at 1.3 times book value, a *discount* to its five-year average.

If you want to follow the master, simply buy Berkshire stock.

### CATEGORY

1. Bank Stocks
2. Coronavirus
3. Investing
4. Tech Stocks

### TICKERS GLOBAL

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2. NYSE:BRKA (Berkshire Hathaway Inc.)

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