



Warren Buffett: A Once-in-a-Lifetime Opportunity Is Coming!

Description

To some investors, it has been a strange and unusual year for Warren Buffett and his **Berkshire Hathaway** (NYSE:BRK-A)(NYSE:BRK-B) empire. Many investors have been frustrated with Berkshire's supposed inactivity during the 2020 pandemic market meltdown.

Despite the potential for some cheap deals presented in March and April, Berkshire has mostly stuck to the sidelines. In some instances, such as with airlines and banks, Mr. Buffett has been a major seller. Consequently, he continues to grow [Berkshire's massive US\\$147 billion cash pile](#).

Of course there have been a few deals, such as purchasing **Dominion Energy's** natural gas pipeline network. Also, recently Warren Buffet reverted his previous aversion to gold stocks by [purchasing a major \\$500 million stake in Barrick Gold](#).

Warren Buffett has hardly lost his touch

Despite, some investor befuddlement and concern, I hardly think Mr. Buffett has lost his touch. Firstly, in Warren Buffett's +60 years of investing he has seen and experienced it all. Yes, the pandemic is unprecedented, but so was the Great Depression, World War II, and numerous other market crashes and rises. Mr. Buffett has lived and invested successfully through more trying times than many investors combined.

That cash pile is going to be very useful soon

Second, Warren Buffett understands that governments can't eternally stimulate markets and economies. At some point, fiscally-stimulated debt markets will dry up and capital could once again become scarce. In this circumstance, Berkshire Hathaway's \$147 billion becomes its greatest asset. Berkshire can become a haven for distressed equities/corporations — and suddenly Warren Buffett will look like a genius again.

This is why I like companies like Berkshire Hathaway: They can afford to be patient when others can't.

Warren Buffett has built and is building a company that will prosper long after he's gone. Unless investors have the same track record of returns (20% annually for +50 years), I would suggest laying off the criticism and rather buy the stock while it is still attractively valued.

Check out this Warren Buffett-like TSX stock

Another Warren Buffett-like stock in Canada is **Brookfield Asset Management** (TSX:BAM-A)([NYSE:BAM](#)). Brookfield is one of the world's largest investors in alternative assets such as renewables, real estate, infrastructure, private equity, and distressed debt. Like Berkshire Hathaway, BAM has a contrarian, value-style to investing.

It has a global platform and is therefore equipped to deploy capital wherever there is distressed value. It also has the expertise and the patience to slowly repair challenged businesses and assets until they are functioning as high-quality, cash flow machines.

BAM has been extremely active since the March market crash. Either directly, or through its four public subsidiaries, BAM has invested over \$12 billion of capital. Despite this, BAM continues to build a substantial cash position (\$77 billion of which it raised \$23 billion in last quarter alone).

BAM has ample growth opportunities in the near future

BAM's CEO, Bruce Flatt, like Warren Buffett, believes that over the next 12 months, companies will require significant capital to repair their pandemic-damaged balance sheets. As fiscal stimulus is weaned, these companies will be flocking to companies like BAM and Berkshire Hathaway.

Mr. Flatt believes there is significant underlying economic damage (despite the market run-up), and at some point soon, distressed bail-out opportunities will arise.

The Foolish takeaway

Given all of this, both BAM and Berkshire may have generational opportunities to grow their asset portfolios. Both companies have exceptional leaders, fantastic balance sheets, and long-term investing approaches.

Buy one, or buy both, but for a decade hold, you likely can't go wrong investing in Warren Buffett or Bruce Flatt.

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