



Warren Buffett: Don't Miss This Once-in-a-Lifetime Opportunity

Description

Warren Buffett and **Berkshire Hathaway** (NYSE:BRK-A)(NYSE:BRK-B) has notably done very little trading during the market volatility this year. The company sold off its airline positions in the stock market to avoid tragic and possibly long-term losses. Further, the investing guru's buying activity has been muted compared to other years.

Known for being a value investor, Warren Buffett is usually attracted to cheap, long-term bets. Nevertheless, even the market lows after the March sell-off didn't seem to entice him into a bullish buying spree. Now, Warren Buffett and Berkshire Hathaway are sitting on a lot of uninvested cash.

Recently, however, Warren Buffett's interest in the stock market is slowly returning and some top Canadian companies are making the list. For example, Warren Buffett has purchased \$500 million worth of **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) stock. Should you follow his example?

Warren Buffett knows what he's doing

Warren Buffett is a smart man with many connections. He predicted the 2007 Global Financial Crisis by calling mortgage-backed securities "weapons of mass financial destruction." If I had to place my bets on an expert who knows how to predict the market, I would choose Warren Buffett every time.

It's true that he did lose \$1 billion two days after investing in Kraft Heinz stock. No one is perfect. But, over the long-term, he is usually spot on the money.

We shouldn't discount everything someone says just because they are wrong at times. No one is correct 100% of the time. Thus, if there is one investor you should keep your eye on this year, it is Warren Buffett.

Avoid too much stock market leverage

Do you invest in a margin account? If so, one takeaway you could learn from Warren Buffett's

unutilized cash is that you don't want to over-leverage without having a safety net to back you up. The market has been doing much better since March, but anything can send investors over the edge again.

It's okay to have cash stashed aside. There are plenty of other investment options other than the stock market like guaranteed investment certificates or a cash savings account. While you shouldn't exit the market completely, a non-volatile safety net is never a bad idea.

Should you invest in Barrick Gold?

Like Warren Buffett, I've never been a huge advocate for gold stocks. That said, there is a good argument for investing in gold right now. We've seen a historic appreciation in the price of this commodity during this global health scare.

In response, Barrick Gold stock has done very well on the **Toronto Stock Exchange**. Year-to-date, the stock is up nearly 60%. The stock pays a dividend of around 1.11% at the current share price of \$38.43 at the time of writing.



The success of Barrick Gold this year also provides another key takeaway for self-investors. Gold really does do well during times of market volatility. So, the next time the market crashes, take some time to identify solid gold investments to [guard your retirement](#) portfolio against the market risk.

In the meantime, is it too late to invest in gold? There's really no way to say. That's why it is important to diversify your investments.

It isn't possible to predict market sentiment from one month to the next, especially in times like these. If you aren't sure where the price of a stock is going to be one year from now or 10, then it is better to

find an asset you feel comfortable storing your hard-earned savings for the long-term.

Investing is a [long-term game](#). I think Warren Buffett would agree.

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