



## Warren Buffett Made This Shocking Call on Canada

### Description

Warren Buffett is famous for making some of the most surprising moves on the stock market. However, his brilliance in understanding the market and investor behaviour has allowed him to become one of the most successful stock market investors in history. He has garnered a strong following of investors who want to match his investment decisions with his success.

When Buffett's **Berkshire Hathaway** sells banking stocks, investors will avoid investing in financial institutions. When they see him investing in energy companies, they will increase their positions.

With most of the investment decisions Buffett makes, his motivations are understandable. He can determine the health of the companies, imbalances in their operations, and their possible improvement or deterioration to make well-informed moves. However, one transaction has [left investors confused](#). Buffett has lost his appetite for half of the Canadian stocks he owns.

Let's take a look at his decision to entirely exit his position from **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)) and what it could mean.

## Restaurant giant and COVID-19

The global pandemic decimated businesses worldwide with lockdowns and closures. One of the worst-hit sectors was the restaurant industry. COVID-19 ravaged RBI, as it sunk more than 50% in a month to trade for \$46.09 per share in its March 2020 bottom. Restaurant Brands has some of the biggest fast-food chains under its belt. Burger King, Popeyes Louisiana Kitchen, and Tim Hortons had to shut down all their locations to curb the spread of the deadly virus.

RBI's locations have gradually reopened. Drive-thru and takeout operations resumed and managed to offset the significant loss for the company. It achieved almost 90% of its pre-pandemic sales in a matter of months. At writing, the stock is trading for \$72.72 per share, and it has recovered almost 80% from its March low.

RBI managed to hold its ground pretty well in the face of adversity if you consider all the

circumstances. However, on August 14, 2020, Buffett's stock portfolio came out. According to Berkshire's filing with the SEC, it sold all its holdings in RBI on June 30, 2020.

## Does this spell bad news?

Warren Buffett is famous for making companies spiral down when he sells his shares in a stock. However, RBI has been more fortunate than most. The news about Buffett's exit from RBI did not result in a sell-off frenzy for RBI, and it is relatively stable. Not everybody agreed with Buffett's move. Pershing Square Capital CEO Bill Ackman exited his positions in Buffett's company and increased his shares in RBI.

## Foolish takeaway

Besides dumping the Restaurant Brands International stock, Buffett also sold his shares on Goldman Sachs and all of his **Occidental Petroleum** shares. Buffett seems to be clearing out his portfolio of companies that saw some of the worst effects of the COVID-19 shutdowns.

Buffett selling RBI did not make sense, since the company has made a remarkable recovery with the reopening of economies. However, Buffett's repositioning at this time suggests that he expects [another market crash](#), and he is just preparing for a crash he believes will come soon.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. TSX:QSR (Restaurant Brands International Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
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adamothonman

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