



Warren Buffett: Bet On Yourself

Description

Investing in your own company is the norm. Business owners invest their time, resources, energy, and their fortunes in their own businesses. But it's not the way the wizard of Omaha invests in his company, **Berkshire Hathaway**. Buffett doesn't invest billions of dollars to keep the company going and growing. He invests the company's cash (which is dedicated to buying good businesses) in buying back more equity in the company.

And as an investor who is famed for making (mostly) successful investments, this shows confidence in his company. He is not just proud; he is sure that what he has created is worth betting on. And he is demonstrating that by betting on his company himself.

There is a very important lesson investors can learn from Warren Buffett: bet on yourself and invest in yourself. You can widen the scope and invest what you are proud of and what you believe in, and one of the things you should believe in is the Canadian economy, just like Buffett believes in the U.S. economy.

If you are planning to bet on Canada, two companies you can go for are **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)) and **National Bank of Canada** ([TSX:NA](#)).

The premier railway company

Canadian National Railway used to be a crown corporation until it was privatized in 1995. It's the largest railway in the country, with 32,000 km of the rail network, almost 26,000 employees, and proud 100-year history. It's undoubtedly part of this country's economic backbone.

There are relatively [few players](#) of CNR's scale left in the railway business in all of North America, and this limited competition environment has certainly helped the company and its stock thrive. CNR regained its pre-pandemic valuation in under five months after the crash. It's also a senior Dividend Aristocrat with 24 years of dividend increases under its belt, but the yield is very modest (1.7%).

As a reliable growth stock, CNR attracts a lot of investor attention, and it is currently overpriced. Its

price-to-earnings is at 27 times, and price-to-book is at 5.2 times. So, you may want to wait a while for the price to normalize (or another crash) before placing a bet.

The sixth-largest bank

Financial institutions are some of the largest organizations in the country. They dominate the stock exchange, and the Big Five dominate the banking sector. Still, the National Bank of Canada, which stands just outside the Big Five circle, can [outshine them](#) as an investment. It has increased dividends for a decade and is offering a juicy yield of 3.97%.

As one of the country's major banks, it's an important cog in the economy, with thousands of other businesses and millions of Canadians depending on it, one way or another. As a stock, its main selling point is its capital-growth potential. The stock hasn't fully recovered to its pre-pandemic valuation yet, and still, its five-year CAGR (dividend adjusted) is 16%, which is better than CNR.

And though it's not too overvalued, its recent momentum is pushing toward oversold territory.

Foolish takeaway

Even if you don't have a business like Berkshire Hathaway (or a miniature model), you can still bet on yourself. Buffett's definition of investing in yourself goes far beyond creating more equity for yourself in your own business. He believes in learning, constantly improving, and being around people better than you, so you don't get complacent.

Even if you don't want to emulate his stock investment strategies, his extended version of "investing in yourself" is worth looking into.

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2. TSX:CNR (Canadian National Railway Company)
3. TSX:NA (National Bank of Canada)

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