



## Warren Buffett Warning: Avoid Stocks Now!

### Description

Warren Buffett is famous for investing primarily in U.S. stocks. The Oracle of Omaha has made several exceptions over the years. When it comes to the Canadian stock market, Buffett held two Canadian stocks for a long time in **Berkshire Hathaway**'s portfolio.

However, it seems that [Buffett has recently lost his appetite](#) for one of his Canadian investments. Berkshire's 13F filing on June 30, 2020, revealed that Buffett no longer has any position in the **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)) stock. He has also uncharacteristically acquired **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) shares in his portfolio.

Both these moves might seem confusing for investors, as they could be a warning. I will discuss the possible motivations and what it could mean for you.

### Selling restaurants

Finding out that Buffett entirely exited RBI was confusing for investors. Many might have thought that Buffett miscalculated on Restaurant Brand's ability to offset the issues it faced due to the pandemic. The restaurant closures resulted in a significant loss of income due to a lack of dine-in sales. However, RBI recovered most of its revenue through its drive-thru and delivery sales.

Additionally, RBI has reopened 93% of its global locations to generate more revenue across Burger King, Tim Hortons, and Popeyes Louisiana Kitchen. However, the sale of RBI could likely be an indicator that Buffett expects another market crash.

The restaurant industry was one of the worst-hit sectors with the initial lockdown-fueled market crash. If Buffett has sold his shares despite RBI's impressive recovery, he might be expecting something worse to happen very soon.

### Stocking up on gold

Another reason to assume that Buffett expects another market crash is him establishing a position in Barrick Gold. If you have been following Buffett's investment career, you will understand that this is an unusual move for the Oracle of Omaha.

Gold is traditionally considered a safe-haven asset. Still, Buffett has never been a fan of gold or gold mining companies. He has talked about gold being a useless asset that has little use outside the jewelry industry. Considering his stance on gold, investing in a gold and copper mining company shows that he could be betting on gold to increase his wealth amid a possible market crash.

Gold has its reputation for being inversely proportional in value to the rest of the market. When the economy is doing well, gold prices fall. When the economy becomes volatile, gold prices soar. Barrick is one of the most significant producers of gold worldwide. Increasing gold prices would mean greater returns for the stock and its investors.

## Foolish takeaway

Given Buffett's latest move, we could be on the cusp of [another market crash](#). It is possible that the next market crash could be far worse than the one in April and March 2020. If you believe that Buffett is preparing for a market crash, you should consider reallocating your investments to do the same.

I don't think that it necessarily warrants selling all your stocks. Still, you might want to consider more defensive options that can protect and grow your capital despite a volatile market. Betting on Barrick Gold may be an excellent option to consider for this purpose.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. NYSE:QSR (Restaurant Brands International Inc.)
3. TSX:ABX (Barrick Mining)
4. TSX:QSR (Restaurant Brands International Inc.)

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**Author**

adamothonman

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