



## Warren Buffett Gives Genius Advice on Stock Market Crashes

### Description

When Warren Buffett turned 90 on August 30, 2020, his net worth was US\$82.6 billion. The chairman of **Berkshire Hathaway**, also known as the Oracle of Omaha, is one of the most successful investors of all time, if not the GOAT of investing. Investors want to have a slice of his brain to be as successful as the man.

The famed American billionaire has been through several market crashes, such as the 1987 Black Monday, 2000 dot-com bubble, and the 2008 financial crisis. The one-two punch (COVID-19 and oil price war) in 2020 made him gun-shy at least for two quarters.

In the fourth quarter of 2020, analysts and investment gurus keep warning investors of a market crash. It's ear-splitting already, yet no can say when it will happen. If you were to prepare, Warren Buffett also has [genius advice on stock market crashes](#). The nonagenarian knows how to deal with them.

### Plenty of robins

The S&P/TSX Composite Index has risen from its COVID-19 low on March 23, 2020, but continues to be in the negative territory this October (-8.01% year to date). Six of the 11 primary sectors are in the red. Information technology (+28.4%) is the best performer, while energy (-55.15%) is the deadbeat of all.

The second wave of COVID-19 and the deteriorating economy are the [reasons why pessimism is trending](#) these days. Both are darkening the mood and heightening anxiety.

In 2008, Mr. Buffett wrote, "If you wait for the robins, spring will be over." He thinks that by the time the economy will look healthy again, stock prices will no longer be cheap. The value investor also disregards the noise because there would be plenty of robins around in a market crash.

Warren Buffett added a piece of second advice: "Bad news is an investor's best friend." This means you should be investing in the stock market while the pandemic is still here. However, he would instead focus on opportunity over risk. Historically, markets recover a great deal after downturns.

## The gold rush

One of Buffett's best buys in Q2 2020 is **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD). Berkshire Hathaway bought a stake in the Canadian miner and world's second-largest gold-producing company. It has a market capitalization of \$63.87 billion.

Gold investors were thrilled with Buffett's entry into mining stocks. He saw Barrick as more of a safety net than a robin. Had you invested in the gold stock on March 31, 2020, your money would have appreciated by 40% on November 2, 2020. Barrick's year-to-date gain is 50%, plus it has a dividend yield of 1.18%.

Berkshire Hathaway is now the Toronto-based company's 11th-largest shareholder. It appears that Buffett is positioning for a huge inflationary monetary stimulus policy. Gold would be attractive in such a case.

With Buffett as the latest gold bug, it could prompt an investing rush by big-value and regular investors. Also, gold prices are rising due to the uncertainty around the outcome of the U.S. elections. The precious metal is again the haven of investors.

## Find opportunities

Hearing Warren Buffett's words of wisdom can change an investor's view of the market. If you have investments in great companies, try not to worry. Instead, find opportunities to add to your existing portfolio.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

### TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. TSX:ABX (Barrick Mining)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media

6. Sharewise
7. Yahoo CA

### Category

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

### Date

2025/08/18

### Date Created

2020/11/06

### Author

cliew

default watermark

default watermark