



Warren Buffett: He Saw it Coming

Description

While we have all been hoping against it, the possibility of another stock market crash during COVID-19 might finally happen. Amid the uncertainties arising from the U.S. presidential elections and the rising COVID-19 cases, the economies in both countries are at risk of going right back into a lockdown.

Warren Buffett seemed inexplicably quiet during the March market crash. However, it seems that the Oracle of Omaha knew that this would happen. He took measures to counter another market crash. Let's try and understand the situation better.

Another market crash is happening

Analysts from **Morgan Stanley** and financial experts worldwide are predicting that a market correction of around 10% could hit the stock markets any time in the next two months. While the likes of Morgan Stanley expect a typical market correction, I would not be surprised to see a more devastating pullback in stock market valuations.

The **S&P/TSX Composite Index** is just over 7% below its all-time high again due to the miraculous recovery after the March downturn. It is an alarming sign to see the markets already nearing all-time-high valuations when global economies are clearly not in a robust condition. Right about now, it seems that [Warren Buffett's decision](#) not to splurge the massive hoard of cash in the March market crash was a wise decision.

Warren Buffett saw it coming

When the news initially broke out, investors lost their nerves and began selling their shares like there would be no tomorrow. There is still a lot of uncertainty regarding the developments with COVID-19. The surge of COVID-19 cases is already resulting in lockdowns in some countries. The U.S. and Canada could likely follow suit very soon.

The uncertainty regarding the U.S. presidential election is over. However, it does not mean that we are

past the possible effects of the political fallout from the results. Global economies are frail, and stimulus packages have weakened governments further.

Another lockdown could result in a market crash worse than what we have already seen. It could be worse, because the markets might not recover as rapidly as they did before. Buffett might have already known about it, because he spent very little of the cash pile his company **Berkshire Hathaway** has been sitting on.

A worse market crash could be a better buying opportunity for Mr. Market.

Are you ready for the market crash?

The pandemic resulted in a greater focus on hygiene and a healthy lifestyle. One of the effects of this global health crisis has been the rise of companies like **Jamieson Wellness** ([TSX:JWEL](#)).

A leading manufacturer of sports nutrition products and dietary supplements worldwide, Jamieson Wellness's business has boomed during the pandemic. Jamieson Wellness is trading for \$39.75 per share at writing. The company's valuation has increased 55.64% on a year to date basis.

Jamieson always had an excellent track record for its performance. However, the pandemic provided a significant boost for the stock, as health and wellness trends continue to gain popularity. The company saw another 15% increase in its revenue on a year-over-year basis as well as a 17% higher operating income.

Between its increasing valuation and dividend payouts, the stock could be an excellent asset to consider adding to your portfolio to prepare for another market crash. The business has increased in its valuation steadily during a time when most other stocks on the market dropped drastically and rose up.

Foolish takeaway

Even Warren Buffett himself cannot predict when the next market crash will happen. However, it is clear that he was expecting [another downturn](#) and did not use his cash hoard in anticipation of it. If you are also worried about the crash, I would advise taking up a more defensive position to ride the wave. Jamieson Wellness could be an excellent investment for this purpose.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:JWEL (Jamieson Wellness Inc.)

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Date

2025/08/26

Date Created

2020/11/12

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