



Warren Buffett: So Good, You Can't Ignore Him

Description

Warren Buffett will go down in history as one of the greatest investors who's ever lived. Also called the Oracle of Omaha, Buffett is a self-made billionaire. He used his innate ability to understand the stock market and sticking to his values, learning and evolving as necessary, and his long-term outlook to amass his massive wealth.

Warren Buffett is so good at stock market investing that any investor who wants to become successful looks towards him as the best example. Investors have been studying his investment wisdom so they can attempt to emulate his success. Despite being a beacon for investors, there are not many investors we can consider in the same league as Buffett.

I will discuss just a couple of techniques he has leveraged over the years to stand where he does now.

Consumer monopolies

One of the things Buffett has capitalized on over the years is the ability to recognize monopolies and investing in them to his profit. The lack of competition can allow a business to define its own criteria in its respective industry. It can lead to a high barrier of entry for investors after the company is successful.

However, investors who can get a piece of the pie at the right time can thrive due to its customer loyalty and brand name. An excellent example of such a consumer monopoly owned by Buffett is **Apple**. The renowned tech giant is one of Warren Buffett's top holdings.

Buffett was slightly late to get in on Apple, but it accounts for almost half his entire holdings with **Berkshire Hathaway**. It has generated significant returns of almost US\$80 billion in unrealized gains for Buffett before dividends.

Searching for higher returns

Warren Buffett may have a fixed stance on many things, but he is always willing to learn and evolve. He traditionally does not invest in businesses he cannot understand. However, Buffett recognized the value of Apple's consumer monopoly and dove into the tech sector with Apple stock.

Buffett has had a bearish sentiment towards gold for a long time. He believes that gold has little value outside the jewelry industry and has stayed away from gold and gold producers. However, Berkshire Hathaway's latest [13F filing](#) revealed that he invested heavily in **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD).

He has a good eye for companies that offer a high return on equity. Due to the global health crisis and increasing gold prices, Barrick makes an ideal investment for this purpose. Gold is a hot commodity right now. The possibility of another and more severe market crash means that its valuation could climb higher.

Rising gold prices mean more profits for gold producers. Barrick Gold is one of the largest gold miners worldwide. Over recent years, the gold mining company has managed to pay down most of its debt, and it has increased its profitability by taking adequate measures to improve its position.

Despite Barrick being a gold-related company, Buffett's faith in the stock is due to the fundamentals of the business more than anything else.

Foolish takeaway

[Investing like Warren Buffett](#) does not necessarily guarantee the same success. He has spent decades practicing, tweaking, and perfecting his investment strategy to build his investment portfolio. Buffett can also make his fair share of mistakes, but he learns from them.

If you want to emulate his stock market investing success, I would suggest reading more about his approach and picking up his habits towards investing and research.

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2. Investing

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