



Warren Buffett Just Made Huge Bets in This Surging Industry: It's Time to Follow Him!

Description

Warren Buffett is bullish on [drug stocks](#). At least, in the latest quarter, which revealed **Berkshire Hathaway's** big bets on various drug makers, including the likes of **Pfizer** and **AbbVie**, among a few others. The former announced a 90% effective coronavirus vaccine last week. Pfizer shares popped before running out of steam, as other vaccine developer **Moderna** raised the bar further, with a 94.5% effective vaccine.

Good COVID-19 vaccine news could fuel a massive bull market in pharmaceutical and healthcare stocks

The recent slew of vaccine news isn't just good. It's incredible and well beyond the muted expectations of many health experts, including the likes of NIAID (National Institute of Allergy and Infectious Diseases) top doctor Anthony Fauci, who was calling for a vaccine with a much lower efficacy rate for a shot at conquering the coronavirus pandemic in 2021. The incredible vaccine news has given a lift to the stock market, which now looks unstoppable, following recent price target hikes by various sell-side institutions. While many drugmaker stocks have already surged following the latest unforeseen round of vaccine news, shares of Pfizer have barely budged when you zoom out to have a look at the long-term chart.

Warren Buffett's stake in the former Dow Jones Industrial component is likely to give the pharmaceutical behemoth another bounce. But I think the name could have much more upside once it finally has a chance to pull the curtain on its results, once vaccines have been shipped.

Should you follow Warren Buffett into drug stocks?

Canadian pharma play **Bausch Health Companies** ([TSX:BHC](#))([NYSE:BHC](#)) may be viewed as a compelling way to mirror Warren Buffett's big bets across a wide range of U.S. drug makers. While the firm does not have another super-effective coronavirus vaccine up its sleeves, it could still stand to rally

alongside the broader health stock bounce over that could be in the cards over the coming weeks and months.

The firm, formerly known as the infamous Valeant Pharmaceuticals, has been picking up traction once again following upbeat guidance that could fuel a sustained rally as beaten-down health plays look to bounce back from the horrific market crash suffered back in February and March.

Bausch recently pulled the curtain on in vitro data that showed the “inactivation” of the SARS-CoV-2 virus, the insidious virus that causes COVID-19, in some of its eye drops preserved with a benzalkonium chloride solution. Bausch CEO Joe Papa did note that the relevance remains unknown and that he and his team will “further review” the data “to determine the next steps.”

The Foolish bottom line on Warren Buffett’s latest bets

While the study is unlikely to be a major [needle mover](#) on Bausch stock, the development is encouraging and is a testament to the firm’s incredible R&D team behind its wonderful eye care business. As health stocks look to take off again, both COVID and non-COVID ones, I’d look to punch my ticket to a cheap one like Bausch in the attempt to follow Warren Buffett’s latest moves.

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