



## Warren Buffett: A Market Crash Is Coming

### Description

While it might not be the thing that he would want to be remembered by, [Buffett is a master](#) of capitalizing on market crashes and recessions. He teaches investors to be fearful when others are greedy and greedy when others are fearful. And if you consider his exits, new positions, and portfolio trimming these last few months, it seems that he is fearful. Or it might be that he hasn't found anything worth buying.

That doesn't seem right because even after several months, many good companies are undervalued. It's especially true for the energy sector, which Buffett seems interested in. His Japanese investment and decision to buy into a gold mining company for the first time in decades indicate that we might be nearing another market crash.

### Buffett isn't alone

Buffett isn't the only prominent personality in the investment world that might be anticipating another market crash. Bill Ackman, the famous investor and hedge fund manager, made a lot of money in the March crash, and he just warned about another market crash. His warning might seem a bit out of tune, especially with the vaccine optimism gripping the market, but it's resonating with several other prominent investors as well.

If another market crash comes, Buffett might unleash the full might of the liquidity that **Berkshire Hathaway** possesses right now. He might use his funds to rescue profitable businesses that go under because of the market crash. And his generosity coupled with a shrewd selection of distressed businesses might allow him to win big.

### One stock to buy

If you have a solid, safe, and diverse portfolio, you might not fear another market crash. But it's a good idea to have some free cash ready just in case, so you can buy into amazing companies when they are available at a discount if a market crash comes. [One stock](#) you should keep an eye on is **Goeasy** ([TSX:GSY](#))

). The stock fell by 70% in the March crash and has already grown past its pre-pandemic peak.

If you had bought into the company when it was levelled to the ground, you would have grown your capital in the company by 274% by now. Goeasy is also a very generous Dividend Aristocrat and has grown its dividends at a fantastic rate in the last five years. It's an alternative financing company and issues personal loans and some other financial products to Canadians.

The company has a strong balance sheet and is growing its income steadily, even in a year like 2020.

## Foolish takeaway

Even Warren Buffett gets things wrong sometimes and makes mistakes identifying businesses, sectors, and mistimes investments. But his judgment regarding a market crash, especially when it's endorsed by his favorite Buffett indicator, can be considered quite sound. It's also important to understand that we are inferring that Buffett's actions are pointing toward an impending market crash.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:GSY (goeasy Ltd.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

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