



Warren Buffett: Would You Be Wise to Buy Gold in 2020 or Shed it?

Description

Warren Buffett's **Berkshire Hathaway** [shocked the world](#) with its 13F filing in Q2 2020. The filing showed that the Oracle of Omaha finally decided to change his stance on gold. For someone who has not been a strong advocate for the rare yellow metal, it came as a surprise to everybody to find out that Buffett decided to bet on gold.

Investors curious about his mysterious ways will likely wonder what market moves they should consider making amid the most recent developments. It can help you decide the best possible moves to emulate the billionaire investor's success as a stock market investor.

Buffett bought gold!

The Q2 13F filing revealed that Warren Buffett invested \$500 million in **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD). His decision to invest in gold was very confusing for investors, because he has never resorted to buying gold or gold stocks throughout the decades. Not only has he avoided the rare yellow metal, but Buffett has also advocated sticking to mainline blue-chip stocks instead of buying silver and gold.

Gold is regarded as a safe-haven asset worldwide, and it seemed that he was banking on gold to appreciate significantly with another period of market volatility. Berkshire released its third-quarter 2020 results earlier in November and showed another U-turn.

Buffett also sold it!

Apparently, Buffett's affair with gold was short-lived. Buffett sold more than 40% of his shares in Barrick Gold, according to Berkshire's Q3 2020 report. Gold was on a rampage when he decided to invest in the Canadian gold miner. The spot price of the metal went up as high as \$2,000 per ounce.

However, gold has started to decline since reaching a high valuation. Gold prices are hovering around the \$1,850 per ounce region at writing, and it seems that it might not regain the momentum any time

soon. The possible loss of gold's momentum might have convinced Buffett to begin trimming gold.

Should you go for gold or bail?

The Oracle of Omaha might have mistimed his bet on gold, as he did with airlines before the pandemic struck. However, he seems to have realized that it may not turn out to be the best deal for him and is beginning to reduce his exposure to Barrick and the gold mining industry.

Gold appreciates when there is a lot of uncertainty in the markets. People generally look towards the yellow metal to protect their capital while the rest of the economy falters. The positive news on the vaccine front for COVID-19 could be a possible reason for the decline of rare metals.

Foolish takeaway

Any good news in terms of the economy can mean bad news for gold bulls. In light of Warren Buffett's recent moves, it may be wise for investors to consider safer assets that align with the current market movements. If you are looking for capital growth in the current market conditions, a [high-growth tech stock](#) could provide you with a better option than betting on gold stocks like Barrick.

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