



Will Warren Buffett Ever Buy Bitcoin?

Description

Warren Buffett may soon buy Bitcoin. That would be a surprise for many, but if you look at his track record, you can connect the dots.

The investing guru avoided certain types of investment for decades. He even told interviewers that these investments were for losers. Then, to the surprise of many, he ended up buying the same investments he once ridiculed.

Don't think this makes Buffett a bad investor. Good investors are willing to analyze their previous beliefs and admit when they were wrong.

Pretty soon, Buffett might admit that Bitcoin is a good investment after all.

Here are the facts

Warren Buffett had some choice words about cryptocurrencies in early 2020.

"Cryptocurrencies basically have no value," he said. "They don't produce anything, You can't do anything with it except sell it to somebody else. But then that person's got the problem ... I don't own any cryptocurrency," he concluded. "I never will."

That seems like a pretty open-and-shut case. Buffett hates cryptocurrencies, so he'll never invest.

But wait one second! There are plenty of examples where he came out strongly against something, only to invest months or years later.

For example, Buffett explained his dislike of **SPDR Gold Trust** (NYSE:GLD) many times over the decades, noting that stocks pay dividends, yet nothing can ever be squeezed from a brick of metal.

Gold "gets dug out of the ground in Africa. Then we melt it down, dig another hole, bury it again and pay people to stand around guarding it. It has no utility. Anyone watching from Mars would be

scratching their head,” he once explained.

Well, things change. This year, he invested \$585 million in one of the world’s largest gold producers.

Another example is airlines. After years of [complaining](#) that all carriers like **Air Canada** ([TSX:AC](#)) do is light money on fire, Buffett became a top shareholder in *four* different airlines.

Amazon ([NASDAQ:AMZN](#)) is yet another example. After refusing to invest, Buffett now owns a huge stake in the company.

“I was impressed with Jeff early. I never expected he could pull off what he did on the scale that it happened,” he explained.

Will Buffett buy Bitcoin?

Buffett is now willing to bet on hedges like gold. In many ways, Bitcoin is primed to become another alternative to gold.

“Do I think it’s a durable mechanism that could take the place of gold to a large extent? Yeah, I do, because it’s so much more functional than passing a bar of gold around,” **BlackRock**’s chief investment officer of fixed income, Rick Rieder, [said](#) in a recent interview.

That’s a huge comment considering Blackrock manages more than US\$8 trillion. Buffett’s holding company, for comparison, is worth just US\$600 billion. The smart money is starting to get involved.

No one knows the mind of Buffett. What we do know is that he’s proven willing to change his mind, even on previously staunch beliefs. With more institutional players endorsing Bitcoin’s long-term future, don’t be surprised to see the Oracle of Omaha eventually jump in.

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Date

2025/08/14

Date Created

2020/11/28

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