



Legendary Investor Warren Buffett Is Selling Gold

Description

Warren Buffett keeps surprising investors worldwide with his investment decisions in 2020. The Q2 2020 13F filing by his conglomerate **Berkshire Hathaway** revealed some surprising moves. The third quarter 13F filing by his company revealed more changes in his investment decisions.

Today I will discuss the legendary investor's latest moves and a stock that you could consider investing in to align with the Oracle of Omaha.

Buffett bought gold

The Q2 2020 filing revealed several major moves made by Buffett. Perhaps the most shocking move by Buffett was the decision to invest \$500 million in **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD). Followers of Buffett know that this was a highly uncharacteristic move by the billionaire investor.

Warren Buffett has never resorted to buying gold and gold stocks throughout his illustrious investment career that has spanned several decades. He has even gone on to say that investing in high-quality blue-chip stocks is always better than buying gold and silver.

However, most people view gold as a safe-haven asset. While the move to buy Barrick stock might have been surprising, it seemed practical at the time. The global health crisis was driving gold prices up, allowing gold producers like Barrick to increase profit margins and improve fundamentals.

Why Buffett dumped gold

The [Q3 2020 13F filing](#) by Berkshire came along to deter people from the gold buying signal. As fall saw the loss of momentum in gold prices, the Q3 2020 report revealed that Berkshire shed 42% of its stake in the gold producer. Buffett made a similar u-turn with his investment in airlines.

Buffett made a contrarian bet on airlines early in 2020 but withdrew his investments when COVID-19 became more rampant. Similarly, Buffett invested in Barrick when the pandemic was at its worst.

However, the increasing possibility of a viable vaccine hitting circulation soon could have lessened the value of safe-haven assets like gold. It could be a possible reason he [dumped gold stocks](#) and moved onto others.

What is Buffett buying right now?

Buffett did not just dump a significant chunk of his bet on gold, however. Berkshire's Q3 2020 13F filing also revealed that he is making a big play for Big Pharma — a logical move. The most significant pharmaceutical companies are in a race to create a vaccine for the novel coronavirus.

Buffett maximized his chances of leveraging the vaccine race for his portfolio by adding **Merck**, **Pfizer**, and **Bristol Myers Squibb**. While Canadians might not have many options when it comes to vaccine-linked **TSX** stocks, there are equities you can consider adding to your portfolio to capitalize on the momentum.

A TSX stock to consider

Jamieson Wellness Inc. ([TSX:JWEL](#)) might not be a pharmaceutical company. However, the Toronto-based company develops, manufactures, distributes, sells, and markets natural health products in domestic and international markets. While it is not exactly a healthcare stock, the company has seen a boost in its performance with increasing health awareness worldwide.

The company delivered a 9.5% and a staggering 82% respective growth in domestic and international markets. The stock is trading for \$35.98 per share, and it has a decent 1.56% dividend yield at writing.

Jamieson Wellness has been incredibly resilient during the pandemic. It recently experienced a 24% correction in its valuation. The stock has started to climb again, but its valuation can prove to be an excellent entry point for investors looking to bank on its market movement moving into 2021.

Foolish takeaway

Buffett may have had many of us going for gold with Berkshire's foray into the rare yellow metal with Barrick Gold. However, it seems that he has changed his mind about the contrarian move. The decision to invest in Big Pharma is a sign he is banking on health and wellness.

While Jamieson Wellness might not be a runner in the vaccine race, it is a stock that has a decent momentum due to its health and wellness products. It could be an excellent stock to consider adding to your portfolio right now.

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2. TSX:ABX (Barrick Mining)
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