



## Warren Buffett Just Got Schooled by Elon Musk

### Description

People recognize Warren Buffett as the [GOAT of investing](#), but another billionaire can hold his own against the chairman of **Berkshire Hathaway**. Elon Musk, **Tesla's** CEO, was hurt before when Buffett said he wouldn't invest in the electric vehicle company. He acknowledges, however, that Musk had done some remarkable things. If you pit their empires against each other today, Tesla's market value is more than Berkshire's.

As of November 30, 2020, Tesla is worth \$555.24 billion, surpassing the \$542.97 billion market cap of Buffett's conglomerate. Regarding individual net worth, the visionary has exceeded that of Buffett — \$108 billion versus \$80.5 billion. It seems the temperamental Musk schooled the Oracle of Omaha in 2020.

### Largest wealth gainer

Elon Musk is the year's largest wealth gainer. His net worth grew by an incredible \$80.7 billion, while Buffett's dropped by \$8.76 billion. Musk now ranks second in the world's 500 wealthiest people, according to the Bloomberg Billionaire Index.

**Amazon's** Jeff Bezos is the richest, while **Microsoft's** Bill Gates slid to third. Warren Buffett is at the sixth spot behind **Facebook's** Mark Zuckerberg (fourth place). In early January, Musk was number 35. The surge of Tesla on the stock market is phenomenal, partly due to four consecutive quarters of profitability. Its introduction of new car models and the building of manufacturing plants were the growth drivers.

### Portfolio rotation

A market juggernaut is coming into the U.S. stock market. Tesla will make its debut on the S&P 500 Index on December 21, 2020. Elon Musk told *The New York Times* that his company's stock price is high but thinks it will be worth more than the current level in five years.

Meanwhile, Warren Buffett has been rotating Berkshire Hathaway's stock portfolio. While the value investor is known as a buy-and-hold investor, he's adjusting to market conditions. His firm's [significant new positions in Q3 2020](#) are in pharma giants. As of September 30, 2020, the portfolio includes two Canadian stocks, **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) and **Barrick Gold**.

## Buffett's top TSX stock

Warren Buffett didn't drop Suncor Energy, despite a brutal 2020. The energy stock is down 44% year to date, although it has risen by 53% since reporting the Q3 2020 earnings results. As of December 4, 2020, the share price is \$22.97. The dividend was slashed by 55% after Q1 2020, and the current yield is 4.01%.

Suncor believes commodity prices and demand will improve in 2021. Thus, management expects to increase its output next year. The average upstream production is in the range of 740,000 to 780,000 barrels of oil equivalent per day. Refinery throughputs would be around 415,000 to 445,000 barrels per day.

To maintain solid finances, Suncor plans to implement a share-buyback program worth \$500 million in 2021. The plan includes debt repayments of \$500 million to \$1 billion during the year. Analysts forecast the shares to climb by 131% to \$53 in the next 12 months. It seems Buffett still holds Suncor Energy in high esteem and views it as his top Canadian value stock.

## Investment philosophies

Buffett and Musk are both billionaires, but they differ in investment philosophies. The Berkshire chief is an old-school investor and risk averse, while the Tesla boss is a visionary with a high tolerance for risk.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:SU (Suncor Energy Inc.)

### PARTNER-FEEDS

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