



Warren Buffett: The Market Could Crash at Any Moment

Description

When it comes to finding opportunities in tough situations, there is no doubt that Warren Buffett is the master. [Buffett may make occasional mistakes](#), but he has earned his nickname, the Oracle of Omaha, by finding value investment opportunities during recessions and market crashes to gain massive returns.

Lately, Buffett has been quietly preparing his portfolio, while other investors seem to be buying up everything they can.

Warren Buffett said, “Be fearful when others are greedy, and greedy when others are fearful.”

It is no secret that the market is full of greed right now. The valuations of stocks across the board are climbing higher, and Buffett is trimming his investments and making defensive buys.

The only logical reason he could be doing this is that he expects another market crash soon.

A market crash was always happening

We saw a significant sell-off frenzy in February and March that contributed to the crash earlier this year. However, a stock market crash was already on its way regardless of the pandemic. Consider all the factors, and you can see the picture clear as day.

The global debt was climbing to unbelievable heights, the oil and gas sector declined, and the U.S. was facing an inverted yield curve due to trade wars. The pandemic came along to catalyze what was already going to happen.

Stock markets have recovered since then. So, why would Buffett be preparing for another market crash? It could be because the issues from before the pandemic are still around. The pandemic has made those problems worse. The global debt increased by \$15 trillion between January and September 2020. Economists estimate that the total global debt could rise to \$277 trillion by the end of the year.

There is good news on the vaccine front, but it could take months before we can see viable results. Meanwhile, the pandemic continues to spread through the second wave of infections.

How the Oracle of Omaha is preparing for the crash

Warren Buffett has been buying up shares of defensive companies that are likely to hold up in another market crash. He has also been selling shares of companies that could suffer the most in another market crash. Warren Buffett even went to the extent of investing in gold stocks through **Barrick Gold**.

Buffett has never been a fan of the rare yellow metal. However, he chose to buy Barrick shares because it still is a safe-haven asset. Warren Buffett [trimmed his shares in the gold producer](#), but he has not entirely exited his position in the company.

Should you buy gold?

If you fear that there is another market crash on the cards, investing in gold might seem attractive. However, investing in gold mining companies like **B2Gold** ([TSX:BTG](#))(NYSE:BTG) adds a layer of security. The difference between buying gold and gold stocks is that you are supporting the company, not the commodity.

When the going gets tough, investors seek the safety provided by gold. Owning gold is not easy, but investing in B2Gold can provide you an excellent alternative. The Vancouver-based Canadian gold producer is not one of the industry's biggest names, but it has performed well in 2020.

The stock is trading for \$7.45 per share at writing. Its valuation is 46.08% higher than at the beginning of the year. The dividend yield is at a decent 3.01%. The gold stock is also attracting investors due to its growing earnings per share (EPS). B2Gold has a historic EPS of 65.5%, but projected rates for 2020 are 271.4%.

Foolish takeaway

Fortunately, none of the second market crash predictions have come true so far. However, it would be wise to consider preparing for the possibility of another crash. Warren Buffett certainly seems to be doing so himself.

I think that investing in B2Gold could be a viable way to take advantage of another market crash.

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