



Warren Buffett's Tech IPO Is up a Mind-Boggling 200% in 3 Months

Description

Warren Buffett hasn't [lost his touch](#), contrary to the observations of many when COVID-19 struck in March 2020. The GOAT of investing did it again with a smart move in **Snowflake**. Interestingly, Buffett avoided investing in the technology sector for years, especially tech IPOs.

His conglomerate **Berkshire Hathaway** is now richer by US\$1.4 billion on paper after its investment in the cloud-data platform tripled in value on November 30, 2020. As of December 7, 2020, Snowflake is trading at US\$388.96 per share, or 224.13% higher than its IPO price of US\$120.

Notable stock purchases

Snowflake is just one of several [eye-catching investments](#) of Berkshire Hathaway in the most recent quarter. With news of a coronavirus vaccine development, Buffett's investment firm purchased more than US\$5 million worth of pharma stocks.

The new additions to Berkshire's stock portfolio (as of September 30, 2020) include **AbbVie**, **Bristol Myers Squibb**, **Merck**, and **Pfizer**. More investors are likely to gravitate toward the pharmaceutical industry. Buffett's foray gives others the confidence to invest in a not-so-stable sector. However, the broader pharma space would benefit significantly from COVID-19 vaccines and related therapeutics.

Tech juggernaut

Berkshire Hathaway has only two Canadian stocks in its portfolio: **Suncor Energy** and **Barrick Gold**. For a long time, the company held **Restaurant Brands International** until Buffett lost confidence in businesses affected by shutdowns. The Oracle of Omaha might take a position in Canadian tech stocks soon.

On March 23, 2020, the S&P/TSX Composite Index lost big time and sunk to the bottom. However, after more than eight months, Canada's primary stock market has recouped almost \$700 billion in market value. The TSX is already gaining year to date, although the technology sector is outperforming

the index by a mile (+52.53% versus +3.04%).

The technology sector has a small weighting on the TSX but has been the top performer for most of 2020. **Shopify**, the renowned e-commerce platform, is leading the advance and is now the largest publicly listed company in Canada.

Exciting development

If Shopify is too expensive for you, **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) is a cheaper (\$8.25 per share) but promising alternative. The former smartphone titan is beginning to make waves. Year to date, the tech stock is up 28.5%. Some analysts believe the long-awaited turnaround is at hand.

BlackBerry is now a prominent provider of intelligent security software and services to enterprises and governments globally. The company is moving in the right direction, particularly in the cybersecurity space and the automotive vertical. Investors' interest should heighten in 2021 due to a partnership with **Amazon** Web Services.

The two firms formed a partnership and will collaborate to develop further and market IVY, BlackBerry's intelligent vehicle data platform. It's a cloud-based software platform that assists automakers in gathering and analyzing data from vehicle sensors.

It's an exciting development and innovative if the new cloud-connected intelligent vehicle data platform can leverage vehicle data to recognize driver behavior and hazardous conditions. The plan is to build, deploy, and monetize new in-vehicle applications and connected services across multiple vehicle brands and models.

Market influencer

Warren Buffett continues to exert influence on investors and the stock market. His involvement in a tech IPO and drug companies in 2020 appears unusual. However, it also shows the value investor still knows where to bet his money.

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