



## Warren Buffett: These 2 Industries Will Crash First!

### Description

There is arguably no one being watched closer than Warren Buffett and **Berkshire Hathaway** shares. Whenever there is any movement at all in share price, buying or selling, analysts are ready to pounce on what that means. So of course, when that happened last month, analysts were again there to dissect.

It's no wonder. Buffett was quiet for months when the market crash happened and then we saw a flurry of action. Buffett's fund started selling and buying things it would never have considered in the past. But there's likely still more action to come. In fact, it looks like Buffett is expecting two industries in particular to crash first when the market crash hits in the next few months.

### First crash: bank stocks

Banks had been making a comeback over the summer, with a rebound looking to be underway. Clients were starting to pay down debt, and it looked like things were returning to normal. That's especially as the banks were already prepared for a market crash, though of course not for a pandemic.

And there's the rub. The bank had prepared to a similar situation back in the Great Recession, if not slightly better. Now we have a pandemic. It's unpredictable, making an incredibly volatile market. The first thing people will do when they need to save money is put loans aside, that goes for individuals and businesses. So when there's a market crash, it's likely only going to get worse for bank stocks.

This is likely why Warren Buffett recently sold off stakes in several banks and financial houses. So if you're wanting to take his lead, it might be time to consider selling at least part of your stake, taking the profits, and waiting for the crash to buy back shares if you need the cash on hand.

### Second crash: gold

Warren Buffett surprised everyone by buying shares in **Barrick Gold Corp.** ([TSX:ABX](#))(NYSE:GOLD) a few months ago. The investor had long stated that gold was a poor investment, it didn't help the

economy. It was just a bet against the economy's recovery to keep you stable. Yet analysts argued his investment managers convinced him at least buying up a mine instead of gold itself was still helping the economy recover.

But Berkshire Hathaway sold off 42% of its [stake](#) in Barrick. It looks like there's a simple reason for this: profits! Gold soared in the last few months, and shares in Barrick soared after the Berkshire buy. So it looks like the fund was looking to take its profits, and potentially buy more during the next market downturn.

## What to buy?

Healthcare. This is where Warren Buffett sees the [future](#) of at least short-term investment, and he's likely right. There are going to be more ways to get healthcare to the people that need it, ideally at home. So that's where investors should be focusing their efforts.

The future of healthcare can be seen with a stock like **CloudMD Software & Services Inc.** ([TSXV:DOC](#)). The company provides virtual healthcare options across the country, from mental health support to basic questions of physicians and nurses. The company has been growing through acquisition lately, and shares have soared by 686% this year alone!

Yet the stock is still crazy cheap, making it a solid defensive stock for the next market crash. While it'll still be a ways off for the company to make a substantial profit, expect revenue and shares to continue making large gains in the mean time.

### CATEGORY

1. Bank Stocks
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### TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. TSX:ABX (Barrick Mining)
3. TSXV:DOC (CloudMD Software & Services Inc.)

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**Date**

2025/09/09

**Date Created**

2020/12/13

**Author**

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