



Warren Buffett: 2 Recent Investments That Shocked Canadians

Description

Did Warren Buffett deviate from his core principles or change his preferences in 2020 because of COVID-19? You can say it did in a way because some of the recent moves of **Berkshire Hathaway** are [out of character](#).

The GOAT of investing never invested in gold, tech upstarts, and non-American companies. However, his conglomerate participated in the IPO of cloud-based data-warehousing company **Snowflake**. Berkshire also took a \$7 billion position in five “sogo soshas” or trading houses in Japan.

Across the U.S. border, Canadians found it shocking that Buffett dumped his entire holdings in quick-service restaurant icon **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)). He then purchased shares of mining company **Barrick Gold** ([TSX:ABX](#))([NYSE:GOLD](#)). The deals in Canada transpired in the second quarter of 2020.

Add the new

Buffett keeps saying he doesn't have much time for assets that don't produce anything. Gold bugs are happy with Buffett's sudden change of heart in 2020. Perhaps he was looking for a [safety net](#), not physical gold, but gold stocks that mirror the commodity's movement.

Berkshire bought 20.9 million shares of Barrick Gold in Q2 2020. However, Buffett's firm trimmed its holdings in Barrick Gold by 42% to 12 million shares in Q3 2020. With news that COVID-19 vaccines are coming out, Berkshire initiated new stakes in four big, blue-chip pharma stocks.

Barrick Gold's stock market performance isn't earth-shaking, although the year-to-date gain is 28%. The \$52.24 billion gold and copper producer also pays a 1.59% dividend. Since climbing to \$38.33 on November 5, 2020, the stock is trending downward. As of December 10, 2020, the share price is \$29.38.

Drop the old

Buffett panicked about the coronavirus-induced shutdowns and their impact on the restaurant industry. Berkshire Hathaway sold its entire stake in Restaurant Brands. The fast-food powerhouse shares did tank and fell to a low of \$39.89 on March 18, 2020.

His confidence in the iconic fast-food chain operator was gone, but he underestimated its resiliency in the wake of the pandemic. The shares of Restaurant Brands bounced back strong with the easing of lockdown measures. As of December 10, 2020, QSR trades at \$78.49 or 97% higher than its COVID-low.

Interestingly, billionaire Bill Ackman of Pershing Square Capital has complete faith in Restaurant Brands' turnaround. He ditched all his holdings in Berkshire Hathaway and bought more shares of Burger King, Tim Hortons, and Popeyes' operator. The chicken sandwich of Popeye's is the mega-hit in the COVID world.

Year-to-date, Restaurant Brands' investors, are down by only 2%. If you invest in the restaurant stock today, the company pays a 3.5%, higher than Barrick Gold's offer. Still, it's not sure whether foot traffic to restaurants would return to pre-corona levels.

Meanwhile, Restaurant Brands is revolutionizing the drive-through experience at Burger King and Tim Hortons. The company is rolling out outdoor digital menu boards. It should be complete 100% and 50% in the U.S. and Canada, respectively, by year-end.

Re-balancing continues

Warren Buffett is keeping some old names and adding new ones to Berkshire Hathaway's portfolio. In Canada, **Suncor Energy** remains Buffett's top energy pick, while Barrick Gold is his latest addition.

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2. NYSE:QSR (Restaurant Brands International Inc.)
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Date

2025/08/23

Date Created

2020/12/15

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