



Forget Bitcoin: Here's a Warren Buffett Stock to Buy Right Now

Description

Warren Buffett shocked the world when **Berkshire Hathaway** disclosed a stake in TSX-traded gold miner **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD). While I find it unlikely that the decision to get into the name was the Oracle of Omaha's (I think it was one of his colleagues), the fact that Buffett wasn't against it was as good as a [gold stamp of approval](#) for his fans to follow in his footsteps.

Now, Warren Buffett has not been a big fan of gold in the past. He's slammed the shiny metal, once saying that it's no match for stocks, or "the American mettle," as he put it. Gold may be a "pretty" store of value, but it doesn't produce much over prolonged periods of time. That said, unprecedented times call for equally unprecedented actions.

Warren Buffett-owned Barrick Gold stock plunges as gold and the greenback dip

In today's pandemic-plagued environment, the demand for gold (physical bullion and gold miners) has been off the charts, with gold prices surging above US\$2,000 before pulling back modestly to just shy of US\$1,800. With a handful of COVID-19 vaccines that could end this pandemic, economic recovery hopes have likely waned on the demand for gold. But with unprecedented monetary and fiscal stimulus, one has to think that an unchecked rise in the rate of inflation could be in the cards, fueling the demand for gold, even as the economy looks to pick up where it left off before COVID-19 struck in early 2020.

Barrick Gold has taken amplified damage amid gold's latest pullback thanks in part to the drastic weakening of the U.S. dollar versus the loonie. Should there be yet another wave of COVID-19 cases before the pandemic ends, the U.S. could print even more money. Some greenback bears seem to think that the U.S. dollar could continue to erode in the new year, which could propel the loonie past the US\$0.80 mark.

It seems like a long time since we've witnessed that key level. Regardless, the newfound strength in the loonie versus the U.S. dollar ought to be capitalized on should the loonie be in for retracement

back to the mid- to low US\$0.70s. Should the loonie lose a bit of ground versus the greenback, as gold prices continue to pick up traction, Barrick Gold stock could emerge as a major winner in the new year.

Could gold demand surge once the Bitcoin bubble bursts?

Given the recent surge in the price of Bitcoin past US\$23,000, one has to think that some folks out there are treating the cryptocurrency as a replacement for gold amid massive pandemic uncertainties and the threat of rising inflation. Warren Buffett may not be the biggest fan of gold, but he detests Bitcoin. If forced to choose between the two assets, he'd part with Bitcoin any day of the week.

After such a massive run, Bitcoin is likely a bubble that's at risk of bursting at any time. Once Bitcoin inevitably tumbles again, all that glitters will be gold, and I think we could witness a rush of people who treated Bitcoin as a gold replacement back into the shiny yellow metal and its miners.

Barrick Gold is a best-in-class gold miner. I think investors would be wise to scoop up the stock for its now swollen 1.6%-yielding dividend.

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