



## Warren Buffett: How to Invest in 2021

### Description

Warren Buffett is well known to be one of the best investors the world has ever seen. However, in addition to the incredible value he has built for shareholders, some of the advice he has given over the years is invaluable.

Buffett hasn't just given a little bit of advice either. Over the years, he has offered his thoughts and opinions on a wide range of subjects, giving investors insight into how the greatest investor of all time thinks.

Some things have changed over the years, but a lot of the core advice he offers has stayed the same. So, with a tonne of uncertainty heading into the new year, and economic issues that are unprecedented, here's how to invest for 2021.

The number one takeaway from any of Warren Buffett's advice is that investors need to stick to long-term investing. This means avoiding impulsive or short-term investments. These tend to be a lot more speculative, which can be highly risky with the savings you're trying to grow.

Sure, sometimes you can get lucky on a long-shot stock, but more often than not, investors learn an expensive lesson about speculating.

### Warren Buffett: Always invest for the long term

Investing for the long-term reduces your risk considerably. However, we still have to make sure to buy only the best stocks. And while it's important to try and buy these high-quality companies for cheap, you shouldn't worry too much about the price.

Always choose the highest-quality stocks, even if you have to pay a premium for them, as long as they still have value and you believe in the stocks long term.

Warren Buffett used to be a value investor first and foremost. And while finding value is important, and you still don't want to overpay, in recent years, buying growth stocks at a reasonable price has been a

better strategy.

The companies to target are those that are the best of the best. They dominate industries and only get stronger the bigger they get. So, while they may trade with a premium, if they really are of the best quality, they'll be worth an investment.

With these incredible growth stocks, though, of course, it's better the earlier you get in.

There are businesses such as **Canadian National Railway** or **Brookfield Asset Management**, which have grown rapidly over the last 10 or 20 years. But due to their size now, continuing that level of growth forever will be next to impossible.

These stocks can still be great long-term investments and core stocks in the portfolio, because of their stability and low volatility. However, to expect them to perform the same as they have in the past is a bit of a stretch.

So, in addition to having stable businesses like these in your portfolio, you'll also want high-quality growth stocks that are capable of outperforming the market and driving the growth in your portfolio.

## A top growth stock to buy today

[Growth stocks](#) make up some of the biggest gains on the market these days, so they can't be ignored.

However, remember, just because you may consider buying a higher-risk, higher-reward stock doesn't mean you shouldn't still be considering it as a long-term investment, just as Warren Buffett would.

By having a long-term timeline, it eliminates a lot of speculation out of the investment. So, if you believe in the company's potential long term, the volatility doesn't matter in the meantime.

Today, many of these high-potential growth stocks are tech companies, and one of the best of the best is **Nuvei**.

Nuvei is a payment-processing tech stock. These companies have seen a huge increase in business with the innovation in the tech sector and a rapidly booming e-commerce industry.

Nuvei had its IPO only a few months ago, and already the stock has rallied by roughly 70%.

These high-quality [tech stocks](#) have huge growth potential and can't be ignored. Even Warren Buffett has been buying higher-growth tech stocks lately with his investment in the **Snowflake** IPO.

## Bottom line

Value stocks will always make up an important portion of your portfolio. However, going into 2021, it looks as though the biggest opportunities for investors lie with high-potential growth stocks.

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