



## 1 Stock Warren Buffett Can No Longer Ignore

### Description

Investors have been looking at the stock market lately and thinking things are pretty good. There was a rally that came just in time for the holidays, with news of a vaccine hitting news stands. Better still, vaccines have started to become available across the world. But one investor isn't convinced, and that's Warren Buffett. And we should all be listening.

Despite the rosy news lately, it's going to take a long time for the vaccine to be available throughout the world. While it might mean there is some return to normalcy, nothing will be back to the way it was before the pandemic. That's even when everyone is vaccinated. It also means it's going to take a heck of a long time for businesses to rebound. That's what Warren Buffett is worried about.

In June of 2020, Warren Buffett's investment firm **Berkshire Hathaway** cashed out about 60% of its portfolio. This already was huge news, but it was about to get crazier. That's because Buffett's firm then invested in [gold](#) mining company **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD).

### How is this news?

Warren Buffett, and, by extension, Berkshire Hathaway, doesn't really like investing in gold. It's a product that doesn't do anything besides look pretty. You can't make it into anything useful, like you can with silver. It just ... is. Therefore, it's not an investment into the economy; it's just around to help protect your investments during a time of trouble.

That's why gold stocks have been rising ever higher since the Federal Reserve announced an inverted yield curve. This isn't likely to stop any time soon, especially with further market crashes a real possibility even after the pandemic comes to an end. And that's the key to why Warren Buffett actually invested in gold, or at least a gold miner.

### But then a sell off

Berkshire Hathaway purchased 21 million shares in Barrick back in mid-August 2020 and shares

soared from the news. There wasn't news on why the company shifted gears, but one can guess. At least by investing in a mine and not the product, you're still investing in an industry and a company. So, in one way, you're helping the economy. But then, of course, you're also taking advantage of the rising gold price.

As the company's shares rose, Berkshire then suddenly shifted gears again and sold a major part of its stake. The company dropped 40% of the stake, leaving it with 12 million shares as of writing — so, not a complete sell off. Why the timing? Warren Buffett and his company likely saw the chance to make a killing given the rise in Berkshire, of course! Then Berkshire kept a small stake to take advantage again in the future. In fact, it's why Barrick still shouldn't be ignored by Warren Buffett.

## Foolish takeaway

As I mentioned, another market crash is coming. It could be here even by March, and it's why Warren Buffett has been in preparation mode. It's quite likely we'll see another major buy in Barrick come the next market crash, as it's simply a company Warren Buffett can no longer ignore.

The company was the world's largest gold mining company up until recently, and could take over that spot again through acquisitions. That's the key. Gold miners as a whole have been making mergers and acquisitions to create diverse portfolios around the world. This creates powerhouses that are in growth mode, and not just with Barrick. But Barrick remains a quality company that anyone can have in their portfolio. Returns have soared year over year, most recently by 40%, and shares are still up 31% in the last year.

So, be like Warren Buffett and add Barrick to your watch list. It could be what gets you through the next market crash.

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### TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. NYSE:BRK.B (Berkshire Hathaway Inc.)
3. TSX:ABX (Barrick Mining)

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