



## Warren Buffett Isn't Buying Much, But He Shockingly Bought This 1 TSX Stock

### Description

Warren Buffett's illustrious investment history is dotted with smart, well-timed decisions. He has had his fair share of failed investments, but that doesn't negate the fact that most of his investment decisions have been profitable and timely. That includes both his new positions and exits since Buffett doesn't wait till long to rectify his mistakes.

Investors understand that market crashes offer a wealth of fantastic investment opportunities, especially if you have liquidity. And that's one of the reasons people were surprised with Buffett's "unenthusiastic buying spree" after the 2020 market crash. **Berkshire Hathaway** has been sitting on a significant cash pile for some time now, and Buffett barely used a sizeable fraction of it, though he did make one unusual investment: gold.

### Buffett's new TSX purchase

Warren Buffett doesn't seem too keen on Canadian stocks, as he only has a handful of them in his portfolio. But after the market crash, he did [create a position](#) in a TSX company, **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD). Barrick is the second-largest gold mining company in the world (after U.S.-based **Newmont**). Last year, it mined about 150 tons of gold and 14,281 tons of copper from its various sites.

The company has a stable and reliable history of operations. It ticks another box for Buffett with its dominant position in the gold mining industry (it's the largest Canadian-based mining company) as well as its sector in the TSX. Though its typical stock movement doesn't really attract a lot of investor attention, it grew quite a bit in 2020.

Barrick also pays dividends, but the yield isn't desirable. If we discard the current "spike" in the stock, the company doesn't have to offer much in terms of capital growth. Its 10-year CAGR is a negative 3%.

### An unusual investment

Barrick Gold was not an unusual investment because of its non-illustrious performance. It was a unique investment because of the underlying asset, gold, which Buffett used to criticize — a lot. Buffett considered gold an almost worthless investment and said that the shiny metal just “sits there and does nothing.” He also said that in the long term, the U.S. economy is a far better investment bet compared to the shiny metal.

It would also be naïve to think that Buffett bought Barrick Gold as a hedge because he only purchased a relatively small portion (considering his company’s portfolio size and liquidity position). Then he reduced it to a mere fraction just months after creating his initial position.

## Foolish takeaway

Buffett’s temporary “fling” with gold surprised the market, mostly advocates of gold investment. But if you want to [emulate Buffett](#) and invest in gold-related securities, Barrick Gold might not be an ideal investment. Some other golden stocks offer significantly better capital growth prospects, both short term and long term.

### CATEGORY

1. Dividend Stocks
2. Investing
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### TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. TSX:ABX (Barrick Mining)

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