



## How to Invest Like Warren Buffett in February

### Description

Warren Buffett has commanded the attention of investors for decades. The Oracle of Omaha's unbridled optimism was challenged in a dark and gloomy 2020. Today, I want to discuss how investors can look to emulate Buffett as we move out of January.

### Warren Buffett: Stay flexible in an overheated market

Earlier this month, I'd discussed why Warren Buffett has [remained cautious](#) in this environment. North American markets have built significant momentum in recent months in the face of a worsening pandemic. Moreover, the economic situation on the ground for most citizens remains shaky.

Warren Buffett is one of the most influential value investors in the world. Value investing involves picking securities that appear to be trading for less than their intrinsic book value. The Buffett Indicator, which measures the ratio of a given country's stock valuation to GDP, has hovered around all-time highs in the United States.

Because of these conditions, Warren Buffett has sought to stay liquid even in this red-hot market. Of course, that is not a "sell everything!" signal. Instead, Foolish investors should seek to look for value where they can find it. At the same time, it does not hurt to maintain cash reserves, so you can jump in on a future pullback.

### Do not buy Bitcoin or gold

Bitcoin has had its share of detractors since its inception. Few have been as ferocious as Warren Buffett. In February 2020, Buffett said that cryptocurrencies have "basically no value and they don't produce anything."

"In terms of cryptocurrencies generally," Buffett said in January 2018. "I can say almost with certainty that they will come to a bad ending."

It is unlikely that the recent crypto bull market has swayed Warren Buffett or other Bitcoin skeptics. The crypto market remains highly volatile and unpredictable. However, it has garnered mainstream legitimacy and is attracting more institutional investors.

Buffett's Bitcoin viewpoint does not necessarily make him a traditionalist. He has also been critical of gold, an ancient store of value. Warren Buffett has consistently advocated tracking blue-chip stocks instead of betting on the yellow metal. **Berkshire Hathaway** deviated from this trend in the summer of 2020, when it added a \$500 million stake in **Barrick Gold**. However, it moved to [shed over 40%](#) of its stake in Q3 2020.

## Warren Buffett is buying healthcare stocks

Warren Buffett has teased that he may jump into the pharmaceutical sector for years. The COVID-19 pandemic proved the perfect moment for the Oracle of Omaha. Berkshire Hathaway also added a significant stake in top stocks like **Merck** and **Pfizer** in the third quarter of 2020. This stood to reason as vaccine rollouts began in the United States.

Canadian investors should focus their attention on healthcare stocks like **VieMed Healthcare** ([TSX:VMD](#))([NASDAQ:VMD](#)). This company has managed to post strong results during the pandemic. It offers durable in-home medical equipment to its client base in the U.S. Its shares have climbed 57% year over year as of early afternoon trading on January 26.

In Q3 2020, VieMed reported net cash provided by operating activities of \$29.3 million in the year-to-date period. That is compared to \$11.6 million in the prior year. Net income soared to \$26.4 million — up from \$6.13 million for the same stretch in 2019. VieMed expects that the pandemic will continue to have a positive impact on revenues in Q4 2020. Moreover, VieMed stock fits the Warren Buffett value mould. Its shares last had a favourable price-to-earnings ratio of 13.

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