



## Warren Buffett: 3 Scathing Quotes on Bitcoin

### Description

The world's most popular virtual currency is back on centre stage in 2021 and starting another boom. Cryptocurrency investors are sure the Bitcoin rally is entirely different from the surge in 2017. Still, Warren Buffett is far from impressed. The billionaire investor is the number one critic of Bitcoin and other cryptocurrencies.

Bitcoin's price soared to \$40,797.61 on January 8, 2021 — a 40.7% climb from the year-end 2020 closing price. However, the crypto space is in panic mode following a 13.3% slide on January 21, 2021. The sharp selloff is raising alarm bells, and the boom could end soon.

The GOAT of investing could be right in advising people to [stay clear of Bitcoin](#). Since 2014, Warren Buffett has been very vocal against the cryptocurrency market. It might be wise to recall his quotes, which serve as warnings to would-be Bitcoin investors.

### It's not a store of value

The **Berkshire Hathaway** chief said in 2014, "It's not a currency. It does not meet the test of a currency. I wouldn't be surprised if it's not around in ten or 20 years." He added, "It is not a durable means of exchange. It's not a store of value. It's been a very speculative kind of Buck Rogers-type thing, and people buy and sell them because they hope they go up or down just like they did with tulip bulbs a long time ago."

### Focus on stocks

In January 2018, Buffett said, "I get in enough trouble with things I think I know something about. Why in the world should I take a long or short position in something I don't know anything about?" His company will focus on eight or 10 stocks, not cryptocurrencies.

## Speculative bubbles

The Oracle of Omaha said during one Berkshire shareholders' meeting, "It will feed on itself for a while and sometimes for a long while and sometimes to extraordinary numbers. But they come to bad endings, and cryptocurrencies will come to bad endings." Buffett was talking of speculative bubbles.

## Comparison with gold

Is Bitcoin the [21st century gold](#)? People are now comparing Bitcoin to the world's most precious metal. Its price today is 287% higher than it was a year ago. Gold was never on Buffett's radar, until COVID-19 struck. In Q2 2020, the legendary investor took a new position in a gold stock for the first time.

Berkshire Hathaway bought 20.9 million worth of **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) shares. The sudden flip-flop surprised the financial markets and his loyal followers. For 2020, the stock's total return was 21%. This \$53.07 billion Canadian gold producer also pays a 1.54% dividend.

Gold is under pressure because of favourable economic data. However, the yellow metal could still shine in 2021. The depreciating U.S. dollar and the low-interest-rate environment could boost inflation. Also, a weak labour market is supportive for gold.

Meanwhile, the company achieved its 2020 production targets. Barrick's tier-one portfolio consists of six world-class mines. Expect management to find emerging opportunities and compete to acquire quality assets.

## "Rat poison squared"

The most scathing remark of Warren Buffett against Bitcoin should send chills to investors. He referred to the digital asset as "rat poison squared." His other adjectives include mirage and a worthless delusion. The recent price tumble, without any clear reason, only underscores Bitcoin's volatility. Some analysts predict further losses ahead.

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### Date

2025/08/27

### Date Created

2021/01/26

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