



Warren Buffett: A Massive 2021 Market Rally Is Imminent

Description

In the first half of the year 2020, the stock market saw a massive sell-off, as the onset of the COVID-19 virus badly affected investors' sentiments across the world. Surprisingly, the pandemic accelerated business growth for some large businesses — especially from the tech industry. That's one reason why the stocks staged a sharp recovery in the second half of this year — setting a stage for a stronger market rally in 2021. The **TSX Composite Index** has risen by 5.6% this year so far.

Let's take a closer look at some factors that could continue to fuel the ongoing markets rally in 2021.

Warren Buffett's confidence in the economy

Notably, the United States's economic strength is considered essential for a healthy global economy. **Berkshire Hathaway's** (NYSE:BRK.A)(NYSE:BRK.B) chairman and CEO Warren Buffett has been strongly optimistic about the American economy in the last few years. Even after the global pandemic started taking a toll on small businesses, he remained highly optimistic about a fast overall economic recovery.

Last year, Buffett [told](#) *CNBC* that “nothing can basically stop America,” in an interview. He pointed how the economy continued to come out strong after many past economic and geopolitical crises — like World War II, the Cuban missile crisis, 9/11, and the 2008-2009 financial crisis. That's why he doesn't believe the pandemic could harm long-term economic growth.

Apart from gradually subsiding global pandemic, rapidly increasing economic activity, and fast-recovering business financials point towards a massive market rally in 2021.

Buffett's big bets on tech

Buffett's investment firm Berkshire Hathaway has been taking more interest in the tech sector lately. Currently, the company's largest single holding is **Apple** ([NASDAQ:AAPL](#)), and it also added **Amazon** to its portfolio in 2019.

While Jeff Bezos-led Amazon is trying to capture a big chunk of the growing cloud market, Apple continues to rule the computer hardware and smartphone industry. But this is not only the reason why Buffett has started raising his tech bets.

Why is Buffett raising his tech bets?

For example, apart from its tech industry dominance, Apple is eyeing to enter the automotive industry. But why an immensely successful tech company wants to enter the highly capital-intensive vehicle-making business? It may sound unusual at first, but if you already know how fast the electric and autonomous vehicle demand is growing, it'll make sense to you. In fact, Buffett's Berkshire Hathaway also invested about US\$230 million in a Chinese electric carmaker called **BYD**. Apple hasn't yet officially released any related details about its car project publicly. However, its interest in the [Apple Car project](#) is well known to experts and analysts.

Overall, Buffett mostly tries to invest in industries that are safe and have significant future growth potential. Buying EV-related tech stocks amid the expected 2021 market rally would be the best way to benefit from the EV and autonomous car revolution.

Here's a great Canadian tech company that's betting high on fast-growing EV and smart mobility demand. That's why its stock can give you outstanding returns in the long-term — if you buy now.

BlackBerry stock

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) is one of the best tech stocks to buy in 2021, with an eye on rising EV demand. In December 2020, the company announced BlackBerry IVY — its new intelligent vehicle data platform. BlackBerry IVY is likely to play a major role in electric and autonomous cars, as it would allow automakers to read, use, and manage vehicle sensor data. The company is developing this platform in partnership with Amazon Web Services.

While BlackBerry's licensing business continues to be its cash cow, its focus is on expanding its market share in the Chinese electric vehicle market. For this, it recently partnered with **Baidu** — the Chinese tech company. This partnership would allow BlackBerry's QNX operating system to be used in **GAC Group's** mass-produced electric cars in the country.

Foolish takeaway

These factors and its continuously strengthening bottom line make BlackBerry the top Canadian tech stock to buy in 2021 with its focus on the electric car market.

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