



## Warren Buffett: He's Seen This GameStop (NYSE:GME) Story Before

### Description

What happened with **GameStop** ([NYSE:GME](#)) stock, thanks to a Reddit group and a lot of retail investors coming together, is something new but not completely unheard of. Even if how the short squeeze was executed (or orchestrated, depending on your point of view) was a bit unconventional and new, the tactic itself is not unique.

Short-selling has been going on for a while, and even famous investor Warren Buffett dabbled in short-selling one time in his career. But he considers it difficult and recognizes that it has ruined a lot of people. He didn't share his thoughts on the recent short squeeze, but one of his quotes probably reflects his mindset about that.

"Be fearful when others are greedy and greedy when others are fearful." In a way, this quote tells us that Buffett has seen and dealt with stories like Gamestop's in his long and illustrious career.

### Be greedy when others are fearful

**Firm Capital Property Trust** (TSXV:FCD.UN) is a small venture capital company in the [real estate sector](#), with a market capitalization of about \$190 million. The company has been around since 1988. It's an alternative private equity real estate firm. As of now, the company has \$3.5 billion and mortgage and real estate-related assets, and its portfolio includes 76 commercial properties.

The bulk of its portfolio comprises grocery-anchored retail properties, making it a relatively safe bet. The company is relatively undervalued, so it means investors are not flocking in to buy this small venture capital company, so you might want to get greedy about it and lock in the mouthwatering 7.86% yield.

### Be fearful when others are greedy

GameStop isn't the only business that's has gone through the roof due to investor greed and the trend to jump on the bandwagon. **Greenlane Renewables** (TSXV:GRN) is an old player in a relatively new

market, i.e., Renewable Natural Gas. While the company was founded in 1986, it has only recently started trading on the TSX Venture Capital market (2019).

The stock has grown over 900% since the market crash, and right now, the company is costly. It has a price-to-books of 13.2 and a forward price-to-earnings of 128. The beta is 1.82. So if you have this asset in your portfolio, it might be time to cash in the profits before they reduce the stock dips. With this and other such stocks that grew way too much, way too fast, it would be prudent to be fearful, especially when others are greedy.

## Foolish takeaway

Another nugget of [Buffett's wisdom](#) that you should remember is that you should try to invest in things that you understand. Buying up stocks in companies just because everyone else is doing it might not be a viable investment strategy. Even if you have to make a call quickly, do your research and figure out whether it would benefit you in the long run.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:GME (GameStop Corp.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
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