



Warren Buffett Is Betting Big on 5G Tech! 1 Top Canadian 5G Stock to Buy in 2021

Description

The world's most renowned investor Warren Buffett yesterday revealed his latest investment moves in **Berkshire Hathaway's** (NYSE:BRK.A)(NYSE:BRK.B) latest 13F SEC filings. While Buffett heavily trimmed his banking sector stakes, he also bought shares of some other companies like **Verizon Communications, Chevron, Marsh & McLennan.**

Let's try to understand Buffett's latest investment moves and look at an amazing [Canadian 5G stock](#) to buy in 2021.

Buffett big bets on 5G tech

On Tuesday, Berkshire Hathaway [revealed](#) that it bought 146.7 million shares of the American telecom giant Verizon Communications in the quarter ended December 2020. Buffett-led investment firm's stake in Verizon was worth US\$7.9 billion as of yesterday's closing price. On Wednesday afternoon, Verizon stock was trading with over 4% gains for the day.

Interestingly, Berkshire Hathaway bought about 2.4 million shares of **T-Mobile** in the previous quarter. In Q4 2020, Buffett more than doubled his T-Mobile position. Now, his investment conglomerate holds about 5.2 million shares of the telecom company — worth US\$640 million. Both T-Mobile and Verizon have been heavily investing in the 5G technology and infrastructure lately.

Is Buffett changing his investment strategy?

Interestingly, the global pandemic seems to have changed Buffett's approach towards investing. Last year, his investment company sold all its airline companies' holdings. In the last quarter, Buffett also cut his exposure to the banking industry. Berkshire Hathaway sold all its stake in **JPMorgan Chase** in the last quarter while cutting its stake in other large banks like **U.S. Bancorp** and **Wells Fargo**.

But I don't think that Buffett has recently made any significant change in his core investment

philosophy. Instead, he appears to adjust his portfolio to benefit from in the post-COVID world and avoid risks at the same time. The 90-year-old billionaire investor continues to be optimistic about a speedy global economic recovery after the pandemic — especially in the U.S.

His 5G bets could pay off well in the medium term, as the 5G technology becomes widely available across North America.

One TSX 5G stocks to buy in 2021

Canadian investors can follow Buffett and benefit from the upcoming 5G boom by investing in **Telus** ([TSX:T](#))([NYSE:TU](#)). The Vancouver-based Canadian telecom giant is continuously raising its bets on the upcoming 5G technology. Last year, nearly 53% of its total revenue came from the wireless network, while the remaining were from the wireline segment.

During the COVID-19 phase, its sales growth rate more than doubled. Telus reported \$15.5 billion in revenue in 2020 — up 5.5% from a year ago. In the previous year, its revenue growth rate was only 2%. As the 5G technology goes mainstream, the company's sales are likely to get another boost in the coming quarters. That's why Street analysts expect its 2021 revenue to grow by over 8%.

The pandemic-related higher costs affected Telus's bottom line in the last few quarters. I expect the company to see a sharp recovery in its profitability, as the pandemic gradually subsides in the coming months. Improving sales, expected profit margin expansion, and the upcoming 5G boom could start a medium- to long-term rally in Telus stock in 2021.

Final thoughts

Warren Buffett has cut his risk exposure by exiting the airline industry and trimming his banking sector stakes. However, his recent investment moves clearly show his confidence in how you could benefit from the ongoing rally in tech and telecom stocks. That's why you may want to add some high-growth stocks to your investment portfolio before it's too late.

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