



## The “Next Warren Buffett” Uses Social Media to His Advantage

### Description

A lot has changed in the COVID world, including the investment process. Asset managers and institutional investors are leveraging digital resources and social media to the hilt. The old school that taught veteran investor Warren Buffett [value investing](#) seems to be losing its appeal.

Risk-hungry investors are emerging and refuting Buffett's time-tested investment principles. Chamath Palihapitiya, founder of Social Capital and acknowledged king of special-purpose acquisition companies (SPACs), proclaims himself as the next Warren Buffett. We are now in an era where networking platforms drive or influence today's most informed, leading investment decisions.

### Widespread adoption

A new breed of traders and retail investors are flooding the market, hoping to get rich quickly by buying and selling stocks, even with small capital. **Twitter**, for example, is Palihapitiya's bullhorn. Reddit, financial news sites, and other social media outlets are the lead destinations for information and financial topics.

The Robinhood app is under scrutiny by the U.S. House Committee on Financial Services for its role in uniting the Reddit community to support and push the **GameStop** stock to all-time highs. The video game retailer will not even pass a due diligence test by professional investors.

Robinhood offers no-commission trades and easy loan terms to new investors wishing to open trading accounts. The app set off a retail trading frenzy. American congressmen asked Robinhood CEO Vlad Tenev how the platform communicates with users and how it educates them about the market.

### The language is social media

In an interview with *Bloomberg's* Front Row, Palihapitiya said, “Nobody's going to listen to Buffett.” He's taking the mantle and the baton to communicate with the younger generation in the language they understand. The SPAC refers to social media as the language. The 44-year-old billionaire adds that

anything popular appeals to younger investors.

Palihapitiya believes his brand and investing acumen will make people rich. Likewise, it helps democratize finance and level the playing field for ordinary or regular investors. The SPAC king has 1.3 million followers on his social media account.

## Capital protection and superior returns

In the current environment, green energy stocks are well positioned to deliver [superior returns in the long term](#). **Northland Power (TSX:NPI)** develops, owns, and operates clean and high-quality green power facilities. Today, the market cap stands at \$9.77 billion, backed by a record 33 years in successful operations.

Northland Power is the first independent power producer in Canada whose growth trajectory is since 1987 is remarkable. The facilities produce electricity from renewable resources such as solar and wind. Likewise, the electricity output comes from clean-burning natural gas.

The key takeaways for Northland Power are stable long-term cash flows from contracted revenue and capital protection due to the low-risk business model. As of February 19, 2021, the share price is \$48.41, while the dividend yield is 2.47%. While the yield is modest, the payouts are safe, and the income stream should be recurring. Analysts forecast the stock to climb 34.3% to \$65 in the next 12 months.

## Conglomerate in the 21st century

The digital age is breaking down traditional investment practices by leveraging technology and social media. Usually, proper investing requires patience, discipline, and research. It means it takes time, a holding period, and work. Chamath Palihapitiya envisions Social Capital to be a Berkshire-like conglomerate in the 21st century.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:NPI (Northland Power Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
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