



Warren Buffett Was Wrong About Google's IPO: Is He Wrong About Bitcoin Too?

Description

People call Warren Buffett the [GOAT of investing](#). However, the greatest investor of all-time admits making bad judgement calls that he regrets the most. In hindsight, the famed value investor said he missed the boat on **Amazon.com** and the IPO of **Alphabet**, the parent company of search engine Google.

Buffett's admission happened during **Berkshire Hathaway's** 2018 annual shareholder meeting. He said, "I made the wrong decisions on Google and Amazon. He didn't conclude that the prospects' present prices were far better than the prices indicated."

This year, bitcoin's price is surging to unprecedented levels. As of February 21, 2021, a bitcoin costs US\$56,822.57. The crypto's price was only US\$9,686.44 a year ago or 486.6% lower. Buffett, however, isn't keen on the world's most popular cryptocurrency. But will the Berkshire chairman be [wrong again about bitcoin](#)?

Big-time mess up

With Amazon, Buffett doubted its ability to disrupt retail and cloud computing given its rapid pace. He underestimated Amazon founder Jeff Bezos which he said has done something close to a miracle. Regarding Alphabet, his subsidiary Geico was paying Google a lot of money at the time of the IPO.

Buffett typically steers clear of businesses that appear to be a miracle. He prefers to have insights about a particular business every time. Likewise, his lack of technological expertise was the reason for snubbing Google. Even his right-hand man, Charles Munger, felt like a horse's ass. "We blew it," he said.

As of December 31, 2020 (S.E.C. filing February 16, 2021), Berkshire Hathaway has 47 stocks in its portfolio. Buffett's firm owns 533,300 Amazon shares and zero Alphabet shares. The conglomerate has only one **TSX** stock, **Suncor Energy**, although the holding reduced by 27.87% to 13.8 million shares.

A safer alternative to bitcoin

The first bitcoin ETF in North America made its TSX debut on February 18, 2021. Canadian regulators approved **Purpose Bitcoin ETF** and transaction volume on the initial trading day reached 9.6 million shares. Meanwhile, the shares of **HIVE Blockchain Technologies** ([TSXV:HIVE](#)) are popping this year.

HIVE is a C\$2.35 billion firm that operates as a cryptocurrency mining company. It has crypto mining operations in Canada, Iceland, and Sweden. The cryptocurrency market is notorious for its high, if not extreme, volatility. People still remember the 2018 bitcoin crash where many investors lost money.

But now, bitcoin is part of the discussion as a safe asset alongside gold. More institutional investors are also expressing interest. However, a crypto mining stock like HIVE is the next best thing to owning bitcoin. You eliminate the concern about regulation.

If you review the stock performance, HIVE's share price is \$6.80 as of February 19, 2021). One year ago, it was trading at only C\$0.37 per share. With the 1,737.8% increase, HIVE is outperforming bitcoin by a mile.

No underlying value

Buffett maintains that bitcoin has no underlying value, is a mirage and a rat poison. He says Berkshire Hathaway will never own bitcoin and other cryptocurrencies. The Oracle of Omaha built a massive fortune on well-performing stocks throughout his investing career. However, he could still change his mind as he did when he invested in gold and participated in a tech startup's IPO in 2020.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSXV:HIVE (Hive Blockchain Technologies)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
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