



Warren Buffett Exits Barrick Stock

Description

If the last few years have proven anything, it's that Warren Buffett and Canadian stocks are not a match made in heaven. He has a shaky arrangement with the economy across the border, and none of his TSX "flings" lasts for long, except perhaps **Suncor**. His previous famous TSX exit was from the **Restaurant Brand International** ([TSX:QSR](#))([NYSE:QSR](#)) — a company he helped create.

His latest exodus is from **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD), a Canadian mining company.

Buffett's brief gold affair

Buffett had always been against gold as a metal. He believed it brings nothing effective to the table and that the U.S. economy and good businesses are far more profitable investment bets. That's why speculators were so confused when he opened a position in Barrick Gold. As one of the largest gold mining companies in the world, Barrick Gold ticks at least one of Buffett's checklist items: a dominant position in its respective industry.

But the acquisition was not substantial enough to be considered a "hedge" for **Berkshire Hathaway's** powerful portfolio, nor was it a very profitable "short-term" gamble. He shed most of the stocks he had of the company before, and as per the company's latest filings, he has [wholly exited](#) his position in the company now.

Buffett's RBI exit came as a surprise as well, and he didn't make his position clear on why he chose to exit the company he helped form. But the poorly performing underlying brands of RBI at least offer some justification for the exit, whereas Barrick Gold stock is behaving like it usually does: it's strong when the stock market is weak and weak when the stock market recovers.

What should you do?

If you have Barrick gold or another gold company in your portfolio, you have a decision you make. Should you follow in Buffett's footsteps and exit your position or keep holding on to the company? The

answer may vary depending upon which gold stock you have invested in and whether or not you believe that a market correction is coming.

If you think that the market might dip again, then holding on to the gold stock might give you a better opportunity to sell and realize decent gains. If you have a gold stock like **Franco-Nevada** or **Abitibi Royalties**, which manage to grow regardless of the market condition, you may consider holding on to your stocks.

Foolish takeaway

In a way, Buffett circled back to his verdict about gold. He didn't consider it a worthwhile long-term investment, and he didn't keep it for the long term. The same thing happened with the airline stocks as well, and Buffett admitted that he made a mistake by going against his original decision of not investing in airline stocks.

If you want to learn from Buffett's moves and his [investment decisions](#), learn to make up your own mind and develop a habit of learning from your mistakes. This might help you significantly more than merely emulating his investment moves.

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