



How to Invest Like Warren Buffett in March

Description

[Warren Buffett](#) has maintained a strong liquidity position over the past year. The Oracle of Omaha made an early play for the airline sector that didn't pan out in early 2020. In the summer of 2020, **Berkshire Hathaway** added a huge stake in **Barrick Gold** that it bailed on in the third quarter. Buffett's timing was perfect in this instance. Gold has declined sharply since rising to an all-time high over US\$2,000/ounce in the middle of the previous year.

Today, I want to discuss how Canadians can invest like Warren Buffett in a volatile environment. Let's dive in.

Why Warren Buffett has his eyes on the healthcare sector

Warren Buffett reduced his exposure to gold in Q3 2020. However, he did dip into another sector he has shied away from over the past decade: healthcare. This did not come as a huge surprise. The vaccine rollout was set to begin at the end of 2020, and Buffett sought to ride the momentum with stocks like **Pfizer** and **Merck**.

Andlauer Healthcare ([TSX:AND](#)) is an exciting technology and healthcare stock listed on the TSX. This supply chain management company provides a platform of customized third-party logistics (3PL) and specialized transportation solutions for the healthcare sector. Its shares have dropped 8.3% in 2021 as of early afternoon trading on March 5. The stock has surged 54% year over year.

It unveiled its fourth-quarter and full-year 2020 results on February 24. Revenue rose 13% to \$86.6 million and EBITDA climbed 23.9% to \$22 million. For the full year, revenue jumped 8.4% to \$314 million. Meanwhile, operating income rose 13.2% to \$50.9 million. It was a very strong year for Andlauer, and Canadians should look to get in on the action in 2021.

Now is the time to seek out value stocks

Value investing has somewhat fallen out of favour since the beginning of the Great Recession.

Historically low interest rates and record-splitting asset-purchasing programs from central banks have ballooned equity valuations in the developed world. In many cases, fundamental analysis has been thrown out the window and rampant speculation has won out. However, I'm inclined to dig in with Warren Buffett and his decades of success. Value investing still has, uh ... value.

Manulife Financial ([TSX:MFC](#))([NYSE:MFC](#)) is one of the top insurance and financial services companies in Canada. Its shares have climbed nearly 19% in 2021 at the time of this writing. The stock has made up for its 2020 stagnation with a hot start this year. Manulife fits within Warren Buffett's value investing framework.

Shares of Manulife possess an attractive price-to-earnings (P/E) ratio of 9.1. This is a dependable company with a rock-solid balance sheet. Meanwhile, the insurance and financial services industries are on the rise in Asia, where middle-class growth is booming. That is where Manulife has set its sights over the past decade. Manulife offers a quarterly dividend of \$0.28 per share, representing a 4.2% yield.

Hydro One is the largest utility operating in Ontario, the country's most populous province. Its shares have dropped 5.6% in 2021 so far. Hydro One stock last had a very favourable P/E ratio of 9.1. Moreover, this top TSX stock last had an RSI of 38. That puts it just outside technically oversold territory. Better yet, the stock offers a quarterly dividend of \$0.254 per share. That represents a 3.7% yield. This is another stock that fits the Warren Buffett value investing mould.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:AND (Andlauer Healthcare Group Inc.)
3. TSX:H (Hydro One Limited)
4. TSX:MFC (Manulife Financial Corporation)

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