



## Warren Buffett Goes Raging Bull Mode on Value

### Description

Warren Buffett is back to buying stocks.

And he's going big on value.

Years ago, Buffett began deviating from his traditional investing style, buying growth stocks like **Apple** ([NASDAQ:AAPL](#)) and private investments like **Snowflake**. Since then, he has realized solid returns on his tech plays — as contrasted with his overall portfolio, which has been underperforming.

Today, we're seeing Buffett go back to his traditional fare. Buffett spent the vast majority of his career buying great businesses at rock-bottom prices, and now he's buying the bargains once more. In this article, I'll explore three recent moves Buffett made that indicate his bullishness on value.

### Buys back Berkshire stock

Buffett's most dramatic recent value buy was buying back **Berkshire Hathaway** (NYSE:BRK.A)(NYSE:BRK.B) stock. In the fourth quarter, he bought back \$24.5 billion of his own company's shares — his biggest such purchase to date. A buyback like this could be considered a value play. When a company buys back its own shares, it's essentially investing in itself — and delivering value to shareholders. As of this writing, Berkshire stock was arguably undervalued with a 14.5 P/E ratio and a 1.33 P/B ratio. Those kinds of metrics are typical of value stocks, and the fact that Buffett is buying back Berkshire at these prices indicates that he thinks it's undervalued.

### Telcos on the buy list

Another sign that Buffett is bullish on value is the fact that he's been buying telco stocks like **Verizon** ([NYSE:VZ](#)). Telcos are currently fairly cheap; Verizon, for example, trades for just 11 times earnings and six times operating cash flow. That's a pretty cheap stock, and Buffett bought it for the first time in Q4. He also doubled down on the telco stocks he already owned — like **T-Mobile**.

## Apple cut

A final sign that Buffett is bullish on value is the fact that he [trimmed his Apple stake in Q4](#). Warren Buffett has gone on the record as saying that Apple is the best business in the world. So far, he's put his money where his mouth is by buying up the stock year after year. In the fourth quarter, he did the opposite. That Buffett would trim his stake in the "world's best company" indicates that he thinks some seriously undervalued stocks are available right now. You won't sell out of your favourite stock, unless it was to buy something else you liked even more, so most likely, Buffett sold Apple to buy value stocks.

## A Canadian stock similar to Buffett's recent plays

If you're interested in emulating Buffett's recent value plays, you could consider a stock like **Rogers Communications** ([TSX:RCI.B](#))([NYSE:RCI](#)). It's a [Canadian telco](#) similar to Buffett favourites Verizon and T-Mobile. It isn't *quite* as cheap as Verizon, trading at 19 times earnings, 3.5 times sales, and three times book value. Nevertheless, it's cheaper than the vast majority of stocks out there — especially U.S. stocks. Rogers also has a major catalyst going for it. 5G is being rolled out as we speak, and Rogers currently has the largest 5G network in Canada. So, it may be able to snap up new customers as Canadians in diverse cities clamour to be the first of their friends to get the new wireless standard.

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2. NYSE:BRK.B (Berkshire Hathaway Inc.)
3. NYSE:BRKA (Berkshire Hathaway Inc.)
4. NYSE:RCI (Rogers Communications Inc.)
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