



Why Warren Buffett's US\$100 Billion Means a K-Recovery

Description

If you needed proof that there's a market rebound, Warren Buffett just proved it. The mega investor genius just entered the US\$100 billion club, where the Oracle of Omaha net worth reached US\$100 billion. This makes him the sixth member of this incredibly exclusive club that has members including Jeff Bezos and Elon Musk.

So, what does that matter to today's investor? Buffett's growth mainly comes from investment into the economy. The approval of President Joe Biden's US\$1.9 trillion COVID-19 relief bill added to the US\$3 trillion disbursed last year. This has meant more room for investment, with **Berkshire Hathaway** climbing rapidly at the beginning of 2021.

Shares are already up 13% year to date and 30% in the last year. This was pushed by Buffett recently buying back shares of the stock at record amounts. This is a shift for Buffett, who usually buys other businesses or common shares. But while this might be great for Warren Buffett, what can investors take away?

Investor confidence

What this means for investors is that Warren Buffett believes he's already bought all the deals he can. He's looked over his portfolio, and he's happy for now — so happy that he's used cash usually put aside for value investing to put towards his own stock. That means he believes his own stock to be a value stock that's capable of immense growth in a rebound.

Investors can thus take away two things from this. First, to look over their own portfolios and see whether it might be a good idea to invest similarly to Warren Buffett, rather than live dangerously. While tech and green stocks have been popular, the real value seems to be with oil and gas stocks. Buffett has put cash down on the bet for an energy rebound, and investors should too.

It also means that he's sticking with his long-held strategy of investing long term. Instead of getting in and out of stocks, it's a good idea to see what companies are performing well, and perhaps increase your stake in a downturn. There are still opportunities to be had, again especially in the oil and gas

sector.

But be careful. Remember that this is a K-shaped recovery and not a V-shaped one. While there are several industries now on the rebound, there are others still sinking or at least stagnating. The airline industry, for example, isn't likely to recover for quite some time. So, look for opportunities, not pitfalls.

Foolish takeaway

Using Warren Buffett as a guide, you can find numerous places to still invest in today's recovery. **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)), for example, is a stock where Buffett still owns about 19 million shares. The company has a P/B ratio of 1.1, making it a stellar [deal](#). And it has a potential upside of 66% to reach all-time highs. It's likely to be one of the first energy companies in Canada to recover, as the country's largest fully integrated oil and gas company. So, this is a great place to start your research.

Warren Buffett's climb to US\$100 billion is really great for all of us. While you may not become a millionaire overnight, using his strategies could still see your investments skyrocket this [year](#) and beyond.

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