



Warren Buffett Hates Bitcoin and Gold But Loves Deep Value: Here's Where to Look

Description

Bitcoin has been picking up traction, probably at the expense of gold. Many smart people are changing their tune with speculative cryptocurrencies. Some men have tried, with no success, to lure Warren Buffett into the crypto world. And while the [wildly volatile](#) asset may need more time to prove itself as a store of wealth, I do not see the man changing his tune on crypto or any other non-productive asset, for that matter.

Warren Buffett: Still no fan of Bitcoin or gold!

Warren Buffett's distaste for Bitcoin shouldn't be a surprise. Not only does he struggle to grasp why anyone in their right mind would want to own it, given its volatile nature, but the man isn't a fan of non-productive assets, period. It doesn't matter if we're talking about Bitcoin, gold, or any other asset that doesn't have an intrinsic value.

You see, Warren Buffett likes getting paid to wait. When asked about either Bitcoin or gold, you can count on the man to bring up farms as a superior investment. They actually produce something over time, whether it be corn or soybeans, and they're not just going to sit around, collect dust, and cost you money for its upkeep.

While Bitcoin is a lower-cost way of transacting large sums of wealth, the risks of holding it in a wallet should not be discounted. If you lose your keys and can't access your wallet, there's no Bitcoin customer service line that can help you unlock it with a few security questions. Everyday investors have lost much Bitcoin, and most of it is gone for good! That's why I'm a huge advocate of owning Bitcoin ETFs over actual Bitcoins in a wallet.

You wouldn't hoard gold bars. So, don't hoard excessive amounts of Bitcoin in one wallet!

If you wouldn't stash gold bars under your bed, why would you stash its equivalent in Bitcoin around the house? While Bitcoin ETFs can cost you a considerable amount in management fees, I'd argue that they're well worth paying up for, especially if you truly believe in Bitcoin and blockchain. Insist on a proven custodian with low fees, and you'll minimize the security risks that can accompany Bitcoin ownership. The same goes with gold ETFs.

Costs of securing an unproductive asset can add up over time. And that's why Warren Buffett isn't tempted in the slightest by Bitcoin's run. Heck, he probably finds Bitcoin even more unattractive now that "the herd" is piling in at a rampant rate. The man's seen bubble inflate and burst over his investment career, so don't think he'll be so quick to change his tune.

Warren Buffett: Where's the value at?

Warren Buffett has been busy backing up the truck on cheap dividend stocks in the fourth quarter. His bet on **Chevron** is a sign that the oil patch isn't dead yet and that there's deep value to be had in the unloved sector. Naturally, **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)), the Oracle's preferred way to bet on Alberta's oil patch, is the way to go if you're looking to ride on the man's coattails into value.

Today, Suncor shares are riding high on considerable momentum. The dividend, which currently yields a meagre 2.9%, was slashed down the middle and subject to considerable compression due to price appreciation over the last few months.

While Suncor stock isn't the same steal as it was when I'd [pounded the table](#) back when the stock was at \$15 and change, I still see ample value in the productive asset, which, unlike Bitcoin or gold, will pay you to wait. As sentiment shifts in the oil patch and the fundamentals gradually improve, I'd look for Suncor to double its dividend within the next two years. The dividend seems small now, but it's just a matter of time before Suncor stock wins back Canadian income investors.

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