



## Whoa! Did Warren Buffett Invest \$1 Billion in “Rat Poison?” Yep. Here’s Why

### Description

It’s been fun watching billionaires publicly hate on [crypto](#), only to turn around and buy it in large quantities. Take, for example, Mark Cuban (“I’d rather have bananas. I can eat bananas.”) or Carl Icahn (“I wouldn’t touch that stuff.”) or Howard Marks (“It’s an unfounded fad.”).

Or *Warren Buffett*.

Yes, in February, Warren Buffett’s company **Berkshire Hathaway** bought US\$1 billion in shares of **Nubank**, a Brazilian digital bank that focuses heavily on crypto.

While it’s not an investment in crypto directly, it’s still a big step for Buffett, who has called crypto “rat poison squared” and asserted that crypto would “come to a bad ending.”

### Does this mean that Buffett will start investing in crypto directly?

Well, for one, I wouldn’t say Buffett has had a change of heart. In fact, this isn’t Berkshire’s first time investing in Nubank.

Last summer, Berkshire bought a \$500 million stake in the crypto-friendly bank just months before the company went public. And we know Buffett has been divesting his portfolio of certain financial companies, such as **Mastercard** and **Visa**, possibly to make room for more fintech companies like Nubank.

Still, it’s a big move for Buffett, especially since he and his long-term investing partner Charles Munger have a strong distaste for all things crypto. While I don’t think Buffett will invest directly in cryptocurrencies, I do think he’s starting to open up to new ideas of banking, especially ones that involve crypto.

## Should you invest in crypto?

As far as I know, Buffett still doesn't recommend investing directly in crypto. But that doesn't mean *you* should listen to him.

Here's the thing: though Buffett is, hands-down, the greatest value investor of his generation, he's horrible at picking tech stocks. The list of tech opportunities he's passed up is long and eye-watering (Google and **Amazon**, to name a pair). He might be the Oracle of Omaha, but he's not the Oracle of Silicon Valley.

So, I wouldn't take crypto advice from Buffett. Investing in cryptocurrency can present a world of opportunity. As long as [you seek to understand how crypto works](#), you could find some lucrative investments.

Of course, as with any investment, crypto has risks. It's still relatively new (circa 2009), and with governments debating regulations, there's no telling what will happen in the future. The crypto market is highly sensitive to changes in public perception, and investors also have to worry about hackers and bugs breaking into exchanges or wallets and depleting crypto.

That said, it for new investors interested in crypto, you could invest in a crypto ETF. This helps you take advantage of price movements in the crypto market, without having to buy crypto directly.

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