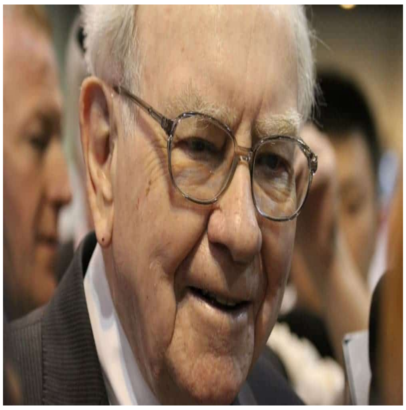

Warren Buffett’s Top Investing Strategies for New Investors

Description

Even new investors just starting out likely have already heard about Warren Buffett. There are probably thousands of articles out there detailing all the strategies one can use when looking to invest like him. But that can be quite overwhelming if you’re just starting out.

Today, I’m going to focus on the top strategies new investors should pay attention to if they want to invest like Warren Buffett. This will provide a strong jumping point for when you want to dig deeper into the Oracle of Omaha’s investing advice.

Pay down debt

First of all, you aren’t making any money through investing if you aren’t paying off your debt. Warren Buffett has recommended in the past that investors should first pay off their high-interest debt before considering investing in the stock market.

This would likely mean paying off your credit card debt first, as these interest rates remain at around 19%. However, with inflation and interest rates rising, credit card companies may in fact raise interest rates in the next year or so. Therefore, it’s prudent to pay that off as soon as possible.

Then if you have other high-interest debt, pay that off as well. For the rest, make sure you have a plan set out with your financial advisor to chip away at things like mortgage payments, car payments, student debt, and more.

Find value

Next, you’ll notice that Warren Buffett isn’t buying shares in companies day after day. He takes the long-term approach, thinking long and hard about what he wants to buy. That’s because once Warren Buffett buys stocks, it’s rare that he gets rid of them completely.

This is a value approach, where he finds companies that have strong past performance, solid growth in the future, and a stable balance sheet. This can be quite hard to discover, which is why there's a cheat to find companies you may want to invest in.

I'd recommend seeing what Warren Buffett invests in and trying to replicate this with similar Canadian stocks. You want to look at the last few quarters at least to see if the company has a lot of debt, has been paying it down, dividend payouts, and share growth. And again, that's all while looking long term — not just during the market downturn.

A recommendation

If you want to invest like Warren Buffett, you'll notice that one of the industries that he buys and has held for over two decades at least are those in the material and construction sector. Building will always come, and materials to build will always be necessary.

One company I would therefore consider is **Teck Resources** (TSX:TECK.B)(NYSE:TECK). The company engages in the exploration and production of natural resources. This includes steel-making coal, copper, zinc, and energy. It owns operations around the world, offering diversification in its resources and location.

Furthermore, Teck stock checks all the boxes. Its earnings have risen higher and higher over the last few years, beating out analyst estimates. It offers a stable 0.93% dividend yield, and trading at a valuable 6.57 times earnings. Shares are up 38% year to date yet have come down 11% most recently due to fears surrounding inflation.

Bottom line

Once you pay down your debt, you can start investing like Warren Buffett by finding companies you think he may approve of. In this case, Teck stock is a strong option for new investors to consider.

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