

Buffett says stocks remain best investment option for most

May 7 2018, by Josh Funk



Warren Buffett, chairman and CEO of Berkshire Hathaway, drinks Cherry Coke while playing bridge outside Berkshire-owned Borsheims jewelry store in Omaha, Neb., Sunday, May 6, 2018. On Saturday, tens of thousands of Berkshire Hathaway shareholders attended the annual Berkshire Hathaway shareholders meeting. (AP Photo/Nati Harnik)

Billionaire Warren Buffett recommends that investors stick with simple

stock index funds—not bonds and especially not bitcoins.

Buffett discussed a variety of topics during an interview on CNBC Monday after he spent Saturday answering questions before thousands of Berkshire Hathaway shareholders.

Buffett said he doesn't think the stock market is overpriced compared with other options even though he's had trouble finding entire businesses to buy at reasonable prices.

"It wouldn't take me a nanosecond to decide to go into stocks," Buffett said.

Buffett said cryptocurrencies like bitcoin are nonproductive assets similar to gold. So Buffett says anyone buying bitcoin is betting that someone else will pay more for it later.

Berkshire Vice Chairman Charlie Munger said buying bitcoin with the hope that someone else will outbid you later is a bad [business](#).

"I think it's a scumbag activity," Munger said.

Buffett reiterated his standard advice that buying an index fund, such as the S&P 500 fund, regularly over time is the best option for most people.

Buffett said the reports he gets from Berkshire's more than 90 businesses tell him that the economy remains strong and has been improving lately.



Warren Buffett, chairman and CEO of Berkshire Hathaway, left, talks as he plays bridge with Bill Gates, right, outside Berkshire-owned Borsheims jewelry store in Omaha, Neb., Sunday, May 6, 2018. On Saturday, tens of thousands of Berkshire Hathaway shareholders attended the annual Berkshire Hathaway shareholders meeting. (AP Photo/Nati Harnik)

Buffett said most of Berkshire's businesses are hiring, and several of them are having trouble finding workers. For instance, carpet installers and certain construction workers are especially hard to find.

Buffett said he believes Wells Fargo is cleaning up its operation after being mired in scandals for more than a year. Berkshire owns 10 percent of the bank's shares.

Buffett said Wells Fargo clearly had the wrong incentives in place and didn't act quickly enough when bank employees opened as many as 2

million accounts without getting customers' permission to meet aggressive sales targets.

But Buffett defended Wells Fargo as an investment.

"Some of our greatest opportunities came from similar situations," Buffett said. Two long-term Berkshire investments in American Express and Geico came after scandals at those companies.

Roughly 40,000 people attended Berkshire Hathaway's annual meeting on Saturday.

Berkshire Hathaway Inc. owns more than 90 companies, including railroad, clothing, furniture and jewelry firms. Its insurance and utility businesses typically account for more than half of the company's net income. The company also has major investments in such companies as American Express, IBM and Wells Fargo & Co.

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