



Jump to

Channel: YOU ARE HERE: [Home](#) > [News](#) > [Top News](#) > [Article](#)

Buffett bets \$21.4 bln against the US dollar

Sat Mar 5, 2005 04:02 PM ET

[Printer Friendly](#) | [Email Article](#) | [Reprints](#) | [RSS](#)  (Page 1 of 2)

Top News

By Jonathan Stempel

- ▶ [Syrian-Backed Hizbollah Rallies Against U.S.](#)
- ▶ [Qaeda Ally May Target U.S. Theaters, Schools - Report](#)
- ▶ [Wisconsin Church Gunman May Have Been Angry at Sermon](#)

[MORE](#) →

NEW YORK, March 5 (Reuters) - Warren Buffett, the world's second-richest person, last year increased his bet against the U.S. dollar 78 percent to \$21.4 billion, resulting in a \$1.84 billion gain.

He also said he would be happy if his bet were to fail.



In his annual letter to shareholders of his Berkshire Hathaway Inc. (BRKa.N: [Quote](#), [Profile](#), [Research](#)) (BRKb.N: [Quote](#), [Profile](#), [Research](#)) holding company, the 74-year-old said Berkshire held 5 foreign currency contracts spread among 12 currencies. A year earlier, Berkshire had \$12 billion of contracts over five

Buffett is concerned that U.S. policies are causing trade and budget deficits to spiral higher and might cause non-U.S. pull money out of the country. This, he said, will put downward pressure on the dollar, which already trades near lifetim year lows against several major currencies.

Last year, the U.S. trade deficit rose 24 percent to a record \$617.7 billion.

"The evidence grows that our trade policies will put unremitting pressure on the dollar for many years to come," Buffett W.C. Fields once said when asked for a handout: 'Sorry, son, all my money's tied up in currency.'"

Most of Omaha, Nebraska-based Berkshire's portfolio in U.S. assets, but Buffett is hedging that exposure with the cur contracts.

Last year, that hedging was profitable. Berkshire reported a \$1.84 billion pre-tax investment gain on the contracts, up million a year earlier. The gain was \$1.63 billion in the fourth quarter alone.

"Unlike other investors, who pile into foreign stocks, Buffett is sticking with U.S. assets and hedging the currencies its Armstrong, president of Henry H. Armstrong Associates in Pittsburgh, which invests 18 percent of its \$450 million of a Berkshire shares.

"Most investors are traders, even more so in currencies," he added. "Buffett is thinking in terms of decades."

BIG BET [Continued ...](#)

© Reuters 2005. All Rights Reserved.

More Top News

- ▶ [Syrian-Backed Hizbollah Rallies Against U.S.](#)
- ▶ [Qaeda Ally May Target U.S. Theaters, Schools -Report](#)
- ▶ [Wisconsin Church Gunman May Have Been Angry at Sermon](#)
- ▶ [Talks on Iraq Government Fail Before Parliament](#)
- ▶ [White House Acknowledges Iran Intel 'Hard to Come By'](#)

MORE →

Reuters.com [Help & Info.](#) | [Contact Us](#) | [Feedback](#) | [Advertise](#) | [Disclaimer](#) | [Copyright](#) | [Privacy](#) | [Corrections](#) | [Partner Newspapers](#)