



## Buffett's Buying – Should You?

### Description

It has been revealed that at the end of June, Warren Buffett's **Berkshire Hathaway** owned a \$500 million stake in Canada's **Suncor Energy** (TSX:SU,NYSE:SU). While this 17.8 million share position has Berkshire well down the list in terms of the company's top shareholders, people tend to sit up and take notice when one of the best investors that have ever lived establishes a new position.

### Lot's to like

There are plenty of reasons why Suncor has grabbed Berkshire's attention. The company has a long-life asset base in a relatively stable nation, is seemingly well run, and perhaps most importantly, looks pretty darn cheap – especially when it comes to the company's multiple to book value.

The following table compares several of Suncor's valuation metrics against a collection of its energy producing, international peers.

Company Name	P/Norm EPS LTM	Fwd P/E	<b>P/B</b>
<b>Conocco Phillips</b>	9.5	11.1	<b>1.7</b>
<b>Exxon Mobil</b>	11.3	11.3	<b>2.4</b>
<b>Chevron</b>	10.5	9.9	<b>1.6</b>
Suncor	12.9	10.6	<b>1.3</b>

Source: Capital IQ

## Foolish Bottom Line

Similar to when we learn of an insider transaction, there's plenty of reasons to sell a stock, but only one reason to buy. Berkshire clearly believes in Suncor's future. This should make it an automatic consideration if you're looking to add to your portfolio's energy exposure.

## Another way to play

Though oil and gas tend to grab most of the attention when it comes to energy, there is another way to play this space. Uranium – the key ingredient in nuclear power – has the potential to be *the* energy source of the next 100 years.

That is why the Motley Fool has prepared a Special **FREE** Report that will clue you into two of the best uranium companies in Canada. It's called "[Fuel Your Portfolio With This Energetic Commodity](#)," and you can receive a copy at no charge by simply [clicking here now!](#)

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*Fool contributor Iain Butler does not own shares in any of the companies mentioned at this time. The Motley Fool does not own shares in any of the companies mentioned at this time.*

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:SU (Suncor Energy Inc.)

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