



## Suncor Energy Inc. Is Warren Buffett's Biggest Energy Holding: Should You Buy, Too?

### Description

Warren Buffett is considered the best investor in the world. He is able to pick companies when they are inexpensive and then ride them up, generating considerable money for his massive portfolio. He used to own **Exxon Mobil Corporation**, the largest energy company in the world, as well as **ConocoPhillips**. According to a filing with the SEC, he has liquidated that entire position. But he wasn't ditching the sector entirely.

According to the SEC filing, Buffett owns 22.35 million shares of **Suncor Energy Inc.** ([TSX:SU](#))([NYSE:SU](#)). This would make it his largest energy holding, which is quite the compliment to Suncor.

### When did he buy?

The trick here is understanding when Buffett bought the stock. Buffett started to buy shares of Suncor in the first half of 2013. The price of Suncor was even cheaper than it is now, even with oil prices where they are. That would naturally make me hesitant because Buffett is amazing at buying low and selling high.

However, looking at the two most recent SEC FORM 13-F filings from his company, it appears that he added an additional 3,876,564 shares to his position in Suncor. That leaves me to believe that he is bullish on Suncor, even if he is not bullish on oil companies as a whole.

### Should you buy?

Just because Buffett has bought more of a stock doesn't mean that you should immediately follow. However, when it comes to Suncor, I don't think it's the worst investment that you can make in the oil business.

The CEO of the company said that the firm had anticipated these sorts of oil prices — believing that \$100/barrel was an anomaly — and set the business to survive on these sorts of prices. That puts it in a very good position to do well as we wait for oil prices to rise.

Further, Suncor doesn't appear to be fluctuating all that much when compared to the price of oil. Exactly three months ago, Suncor was priced at \$39.17 per share and as of close yesterday, it is priced at \$39.15 per share. That level of consistency, even with the severe uncertainty about oil, leads me to believe Suncor is a safe, wise investment for any investor.

You can play it two ways. Start a position now or try to time your entry to maximize return. If it were a more volatile stock, I would suggest the latter. However, with a dividend paying, consistent company like Suncor, I would buy today and hold out for the long term.

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1. Energy Stocks

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1. Editor's Choice

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jaycodon

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