

Why Now Might Be the Right Time to Invest in Suncor Energy Inc.

Description

It's almost impossible to consistently pick the right stock, at the right price, and at the right time. But there are some investors who come pretty close. One is the Chairman and CEO of **Berkshire Hathaway Inc.** Warren Buffett. Also known as the "Oracle of Omaha," Buffett has earned the name because of his successful investment plays.

His investment style and strategy is followed by numerous investors and firms. Any time Buffett buys or sells positions in a company, it makes news and people take notice.

Now, as the price of oil seems to be getting comfortable around the \$50-52 mark, industry experts still remain unsure whether this is the bottom for the commodity. However, they seem to be more certain that oil prices will not go up to their previous highs anytime this year. That doesn't really help investors and leaves many of them unclear about the best time to get back into the energy sector.

A reassuring sign is when one of the world's most respected investor makes his move into the current "taboo" sector. According to latest regulatory filings, Berkshire Hathaway bought about another 4 million shares of **Suncor Energy Inc.** ([TSX:SU](#))([NYSE:SU](#)) in late December 2014, increasing Buffett's stake in the company to over 22.35 million shares. At current valuation, that's worth about \$864 million.

He first bought shares of Canada's largest energy company in August 2013, before the plunge in the price of oil. At that time, he purchased about 17.8 million shares of Suncor.

Today, Buffet's latest bump in ownership of Suncor came as he sold all his shares of **Exxon Mobil Corporation**, amongst other companies. That's about 41 million shares, worth nearly US\$3.9 billion.

Investing strategy

Buffett is generally known and admired for his long-term investing strategies. He typically buys shares in a company and holds them for years, if not decades. Additionally, he prefers to "be greedy when others are fearful, and be fearful when others are greedy." This translates to buying shares when prices are very low and most investors are selling the stock frantically. A perfect example of this is the energy sector, where stocks plummeted as investors pulled out of the space in a frenzy due to tumbling oil prices.

Although no one can predict whether oil prices will fall further in the next few months, investors can be reassured that prominent players like Buffett are ready to start putting their money back into the Canadian energy space. However, one thing every investor must remember is that no one is perfect in predicting stock movements. Buffett, too, has had his stock picks falter occasionally. And although he now owns a significant stake in Suncor, the company is only a very tiny part of his portfolio.

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