



Canada's Warren Buffett Adds 7 New Stocks

Description

Prem Watsa, often called the Canadian Warren Buffett, has actually surpassed his American counterpart performance. While Buffett has managed to expand his company's book value by a compounded annual rate of 18.7% since 1965, Watsa has achieved 19.5% annual growth at **Fairfax Financial Holdings** ([TSX:FFH](#)) since 1985.

As a holding company managed by a famous investor, Fairfax's portfolio changes are a critical metric for investors sizing up the stock. Fortunately, these updates are published once a quarter in the 13F filing.

According to the latest 13F, seven new stocks have been added to the Fairfax portfolio. Here's a closer look at them all.

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#))

Watsa added a small portion of the portfolio to this banking giant at between \$49 and \$60. The bank trades at a price-to-book ratio of 1.5 while offering a 4.45% dividend yield. Trailing dividend growth and forward international expansion opportunities make this a [great buy for value investors](#).

Micron Technology ([NASDAQ:MU](#))

Micron is a technology company that trades like a boring utility stock. According to its management team, the demand for the memory storage components it provides will continue to expand as smartphones gain artificial intelligence, better cameras, and 5G technology. Considering those factors, the stock doesn't deserve to trade at a price-to-earnings (P/E) ratio of 3.5.

US Silica Holdings ([NYSE:SLCA](#))

The producer of commercial silica, a specialized mineral that is a critical input into the oil and gas proppants end market, has had a rough quarter, which has pushed the stock price down more than 50% from its 52-week high. At the moment, US Silica is an underpriced stock with stable earnings and

a 1.8% dividend yield, which is probably why Watsa has added it.

Bemis Co. (NYSE:BMS)

The packaging company trades at a P/E ratio of 21.5 and offers a 2.45% dividend. That dividend has been steadily growing for 35 consecutive years, which makes it a highly valuable income stock.

Pacific Biosciences of California (NYSE:PACB)

This biotech company is being acquired by a gene sequencing giant. The buyout price is nearly 71% higher than the 30-day trading average of the stock at the time of the announcement. It's difficult to tell whether Watsa enjoyed this upward spike or he's in it for merger-arbitrage opportunity. Either way, it's lucrative for Fairfax.

Garrett Motion (NYSE:GTX)

Recently spun off from an industrial technology giant, GTX provides highly engineered turbocharger and electric boosting technologies across vehicle types and sizes. Widely considered a leader in its niche, the stock trades at an insanely low one P/E ratio.

Quarterhill ([TSX:QTRH](#))(NASDAQ:QTRH)

This little-known Canadian technology company has recently decided to implement a "software-focused mergers & acquisition strategy" to fuel growth. The stock already offers a 3.8% dividend yield, which suggests it's flying under the radar of most investors.

Bottom line

Prem Watsa has leveraged the recent dip in stocks to add some interesting and undervalued stocks. However, his biggest holdings remain unchanged, so these smaller additions won't move the needle much.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NASDAQ:MU (Micron Technology, Inc.)
2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:SLCA (U.S. Silica Holdings)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:FFH (Fairfax Financial Holdings Limited)

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Date

2025/07/28

Date Created

2019/02/25

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