



Warren Buffett Stock Picks for Canadian Dividends

Description

Billionaire Warren Buffett is the most renowned value investor in contemporary times. Many believe he has the Midas Touch. He makes money in every stock investment. But does he buy shares of companies selling below their intrinsic values only?

The CEO of **Berkshire Hathaway** personally picks the stocks for his conglomerate. Value investing is the strategy and trademark of Mr. Buffett. He has the penchant for correlating stock prices with a company's real value. Because he targets undervalued stocks, he's also regarded as the ultimate bargain hunter.

Buffett owns dividend-paying stocks

When Buffett picks stocks, it doesn't mean he's out to buy cheap stocks. Price or value is relative. The objective is to look for companies whose prices are not consistent with their long-term potentials. He would then evaluate further by comparing the price of companies in the same sector.

Once it is determined that the current market value is lower than its real worth, a buy decision is firmed up. The legendary investor knows how to identify stocks that present an opportunity for greater profit. When it comes to dividends, Buffett's publicly listed conglomerate doesn't pay dividends.

Despite this self-imposed policy, the investment guru is not against dividend stocks. One interesting scoop is that 68% of his conglomerate's stock holdings are dividend-paying stocks. Since he is a value investor by heart, I can assume he bought these high-quality investments at reasonable prices.

Winning stocks

Buffett's stock portfolio matters to investors. They follow his every move as well as the stocks he buys. **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)) has risen in popularity because it was disclosed that [Buffett has a substantial stake](#) in this consumer discretionary stock. Obviously, he sees the profitability of RBI's iconic brands — Tim Hortons, Burger King, and Popeyes.

Canada's famous quick-service restaurant chain pays a 3% dividend to stockholders. The chain is also expanding its outlets by 54% in the next decade. Expect Buffett to hold on this stock because of its long-term growth potential.

Berkshire Hathaway also bought about 10.75 million shares of **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) last December. The stock is up +13.63% year to date and is projected to increase by 45.4% in the next 12 months. With the 3.65% dividend this energy stock is paying, Buffett would earn quite a windfall.

Enghouse Systems ([TSX:ENGH](#)) is not among the names in Buffett's stock portfolio. But if I'm the billionaire investor, I will keep a close watch over this tech stock. Buffett had no confidence for tech stocks but had a change of heart. In hindsight, he would have purchased **Apple** early on.

The Canadian tech firm's net income has been growing for the last three years. The stock pays 1.34% dividend but [has yet to reach its potential](#). Enghouse Systems is also pretty aggressive pursuing growth through acquisitions. Using the company's profits to acquire other companies is one of Buffett's philosophies.

Although Buffett's firm pays zero dividends, he's not totally against dividends. He advises companies to have clear, consistent, and rationale dividend policies. Otherwise, they would drive away investors.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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2. NYSE:SU (Suncor Energy Inc.)
3. TSX:ENGH (Enghouse Systems Ltd.)
4. TSX:QSR (Restaurant Brands International Inc.)
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