



3 Warren Buffett Stocks to Buy in July

Description

If you were to look at **Berkshire Hathaway Inc.** stock today, the first thought that might come to mind is, “No wonder the rich get richer.”

The stock trades at a whopping \$320,100 per share at writing — far more than most people visiting the Motley Fool Canada are willing to spend, I’m willing to assume.

But just because you don’t have the pay check to make this type of investment, it doesn’t mean that you can’t take advantage of Warren Buffett’s stock picks.

That’s why today I’ll be taking a look at three stocks that could help you make your own mini Berkshire Hathaway portfolio.

Restaurant Brands — a 1.8% stake

While it might not seem like your first choice, **Restaurant Brands International Inc.** ([TSX:QSR](#))([NYSE:QSR](#)) has been on a steady streak since its initial public offering (IPO) five years ago after the merger of Burger King and Tim Hortons. The stock has gained about 133% as of writing since its IPO and 35% year to date.

The reason Warren Buffett and others like him have been picking up Restaurant Brands is that it has become the world’s third-largest quick-service restaurant chain, with Burger King, Tim Hortons, and now Popeyes Chicken making up its strong portfolio. But the company is doing more than just opening up more chains.

Restaurant Brands has been expanding into a variety of markets to see same-store growth, including digital expansion, delivery, and [plant-based proteins](#). And, of course, other restaurant chains aren’t off the table.

So far it seems to be working, as the company’s sales have continued to grow year over year, with revenue remaining stable around US\$1.3 billion the last few quarters, though the last quarter saw a dip

to US\$1.27 billion.

Given the recent dip in the economy, many expect those numbers to rebound quickly in the near future.

Suncor — a 0.7% stake

Though it's a pretty small stake compared to his other investments, **Suncor Energy Inc.** ([TSX:SU](#))([NYSE:SU](#)) has definitely been given a boost by the Warren Buffett investment.

The stock has gained 1,864% since its IPO, and about 7% year to date. That's after a fall from February, after Buffett announced a reinvestment in Suncor and the stock jumped to 18.5% growth since the beginning of the year.

The reason behind the reinvestment is likely due to the strong decisions made by Suncor's management. The dip in the oil and gas industry provides Buffett — and others — with an opportunity to buy up a strong stock like Suncor, which is exactly what happened.

Management has created a [diversified company](#) that doesn't depend on just one area of the energy industry. This has meant Suncor continues to see cash coming in even during times of trouble.

Analysts remain bullish about Suncor, even with a dip in revenue after the last two quarters. In the next 12 months, analysts predict that the stock could get up to \$65 per share — an increase of 58% from today's prices. That makes Buffett's investment quite the bargain.

Moody's — a 13% stake

Finally, we have **Moody's Corp.** ([NYSE:MCO](#)), which is on the higher end of our Buffett picks for today. The stock has grown a whopping 2,367% since its IPO and an equally as impressive 95% year to date.

The reason behind Buffett's investment in Moody's is pretty simple: as long as credit ratings are needed, Moody's will do just fine. Granted, there might be some dips with higher interest rates or a weaker economy, but for the long-term investor this stock is a stable buy, as we've seen.

As the company continues to expand into European and Asian markets, investors should continue to see strong growth.

The company has been relatively stable over the last four quarters, producing between US\$1.1 and US\$1.0 billion in revenue during that time each quarter. While analysts believe the stock could dip down to as low as \$170 per share in the next 12 months, they also think it could rise as high as \$230.

Foolish takeaway

These three Buffett choices offer investors three great options to expand their long-term-growth portfolios. But more than that, they also provide a jumping off point to their own research, to look for stocks that could be future Buffett buys.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:MCO (Moody's Corporation)
2. NYSE:QSR (Restaurant Brands International Inc.)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:QSR (Restaurant Brands International Inc.)
5. TSX:SU (Suncor Energy Inc.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Date

2025/08/25

Date Created

2019/07/17

Author

alegatewolfe

default watermark

default watermark