



Be a Warren Buffett Copycat: “Buy Right and Sit Tight”

Description

“Buy right and sit tight” is an investing tip of value investor Warren Buffett. His message is clear. The market could surge or collapse at any time. However, if you’re buying quality stocks, you don’t need to time the market. Instead, follow the lead of Buffett. You can [earn millions by holding shares for very long periods](#).

Berkshire Hathaway, Buffett’s conglomerate, has only two Canadian stocks in its portfolio of stocks, **Suncor** ([TSX:SU](#))([NYSE:SU](#)) and **Restaurant Brands** ([TSX:QSR](#))([NYSE:QSR](#)). Buffett’s most famous advice is to invest in what you know, and Canadians understand the businesses of these two quality investments.

Buffett advises that if you’re not thinking of owning the stocks for at least 10 years, don’t even think of owning them for 10 minutes. Hearing these words is a subtle endorsement. Why else would Buffett invest in both stocks and keep them?

Double winnings

Despite the heightened volatility in the energy sector, it seems that Buffett is confident about the sustainable growth and future profits of Suncor. This \$62.17 billion oil and gas integrated company can endure the headwinds. Since its refining assets are diversified, Suncor has clear advantages over industry peers.

Buffett is aware that Suncor will go through poor periods and correction, yet he will choose not to sell out. He sold his shares in 2016 then corrected his mistake by repurchasing Suncor shares in 2018. Going by the company’s historical performance, this oil giant overcomes turmoil and creates shareholder value.

Suncor is down 4.95% year to date, although analysts remain bullish. They are forecasting the price to hit \$58 (+43.4%) in the next 12 months. Add the 3.94% yield for a pair of wins in both dividend and capital gain. You can wait for Suncor to report its Q4 2019 financial results on February 5, 2020, before taking a position.

Supersized gains

The [buzz in the quick-service restaurant industry](#) is that Restaurant Brands's operating margin is outperforming 96% of its global competitors. This \$24 billion fast-food chain operator (Burger King, Tim Hortons, and Popeyes Louisiana Kitchen) has been enjoying steady growth in recent years.

Since Buffett is a value investor, you have a hint that QSR has a long runway for organic growth as well as new store openings worldwide. The best part is that almost all of the fast-food stores are franchises, and the properties they stand on have existing leases with Restaurant Brands.

Buffett looks for quality businesses, and he delights in Restaurant Brands because of the multiple revenue streams it has created. You can also partake in the 3.14% dividend the stock pays at present.

Analysts see QSR climbing by 31.28% in a year. Also, one analyst notes that since 1996, restaurant stocks usually rise during U.S. election years. You might see Restaurant Brands deliver supersized gains in 2020.

Simple approach

When you decide to take a position on Suncor and Restaurant Brands, sit tight, just like what Warren Buffett is doing. The market won't keep on you an edge if you own both. Buffett is a billionaire because he has a realistic plan and a long-term view.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:QSR (Restaurant Brands International Inc.)
4. TSX:SU (Suncor Energy Inc.)

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