



Warren Buffett Is Buying These 2 TSX Stocks: Should You?

Description

Nobody in the world of investing today has the kind of influence or sway that Warren Buffett enjoys. The investment world has a hard time trying to figure out the strategy behind the investment moves Warren Buffett makes.

Over the last few years, Buffett's Berkshire Hathaway has underperformed slightly compared to the **S&P 500**.

Combine that with the fact that it's been a couple of years since Berkshire Hathaway has made a significant acquisition and some starting to wonder if the market-beating moves are starting to dry up.

But it's not as if Warren Buffett hasn't been making strategic investments over the last few years.

In fact, Buffett has moved quite a bit of cash into a couple of Canadian companies traded on the **Toronto Stock Exchange**, **Suncor** ([TSX:SU](#))([NYSE:SU](#)), and **Restaurant Brands** ([TSX:QSR](#))([NYSE:QSR](#)).

Suncor

Warren Buffett [loves to secure investments](#) in companies with lengthy track records of success, only just recently coming into a bit of a dip. That's precisely the situation that presented itself with Suncor over the last 12 months or so.

The stock has lost about five dollars in price between February 19, 2019, when the stock was valued at \$45.49 and February 4, 2020, with the stock sitting at \$40.14.

There have been some peaks and valleys for the Suncor over the last 12 months that have made this stock significantly undervalued.

Suncor is, after all, one of the largest energy companies on the planet. Forbes ranks it as number 134 in the Global 2000, and with annual revenue numbers above \$29.68 billion, this hundred-year-old

company isn't going anywhere anytime soon.

Combine all of that with a dividend that yields 4.2% on average, a robust capital return structure, and a 6.06 times EV/EBITDA that is almost unbelievably lower than its five-year historical average and it's easy to see why Buffett is so bullish on Suncor.

Restaurant Brands

When this fast-food conglomerate came to fruition back in 2014, Warren Buffett was a big piece of the puzzle, not only helping to fund the deal, but also helping bring executives at Tim Hortons, Burger King, and later Popeyes Louisiana kitchen into the mix.

Six years later, we're starting to see Tim Hortons and its management issues bring the overall stock down a little bit, which, combined with a global appetite for fast food that has been waning somewhat in recent years, has caused share prices to slide.

In August 2019, Restaurant Brands had a share price of \$104.41, but over the last six months, that share price has stumbled and tumbled down to \$81.78.

Rather than cut ties and abandon ship, however, Buffett continues to double-dip on a project that he helped make happen in the first place.

It's evident that Buffett believes that all of these fast food companies can benefit from the economies of scale when working in concert with one another, and the 3.3% dividend yield is attractive for strategic investors.

[Annual increases to that dividend](#), incredible international growth opportunities, and a new cash flow situation that has allowed the company to eat away at a significant amount of its debt all render this an intriguing opportunity for everyday investors and Warren Buffett alike.

Foolish takeaway

If you've been paying attention to everything Buffett has said about his investment strategies, you'd understand why he has been hoarding cash, sitting on a pile of resources, and gearing up to make his next big moves in the market.

He's already given his stamp of approval for Suncor and Restaurant Brands, so take a closer look at the two stocks for your investments this year.

CATEGORY

1. Dividend Stocks
2. Energy Stocks

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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