



## Warren Buffett Advice: 3 Top TSX Stocks to Buy in May

### Description

One of the best ways to guide your investing strategy is to look at the habits of the most successful minds in the industry. Warren Buffett has been quiet over the course of the COVID-19 pandemic. However, his firm did make a large buy in [top U.S. airline stocks](#) when the crisis had just started to ramp up in North America.

Today, I want to discuss how investors can emulate Buffett's strategies as we move into the month of May. Let's dive in.

### Warren Buffett: One top Canadian energy stock

I'd recently discussed one of [Warren Buffett's top Canadian energy stocks](#): **Suncor Energy (TSX:SU)(NYSE:SU)**. The collapse in oil prices in the middle of April presented an enticing buying opportunity for some of Canada's top energy companies. Suncor is an energy superstar in Canada, and it is uniquely suited to weather low oil prices.

Fortunately, oil prices have rebounded since WTI Crude and Western Canadian Select (WCS) fell into negative territory in April. Shares of Suncor have climbed 12% week over week as of close on April 30. However, the stock is still down 40% so far in 2020.

Suncor stock last had a favourable price-to-earnings ratio (P/E) of 13 and a price-to-book (P/B) value of 0.9. Many middle-tier Canadian energy stocks have suspended dividends in response to the COVID-19 crisis, but Suncor has stood strong. It currently offers a quarterly dividend of \$0.465 per share, representing a strong 7.5% yield.

### Target the hospitality sector

Some reports in early April suggested that Warren Buffett is considering a bailout of several struggling sectors. This would include airlines, hotels, and casinos. We are unlikely to see a cross-border investment like we saw with **Home Capital Group**, but the vote of confidence in these sectors may be

enough to move sentiment.

**Great Canadian Gaming** is a stock to watch as Canadian provinces begin to explore a reopening of the economy. The company operates as a gaming and entertainment provider. It recently won a bid for the GTA Bundle, which will include the construction of major casinos and hotels across southern Ontario. Shares of Great Canadian Gaming have dropped 37% in 2020 so far.

The stock last had a promising P/E ratio of 9.3 and a P/B value of 2.8. When the country does reopen, Great Canadian Gaming is still on track for strong revenue and earnings growth in the years to come.

## Buffett's top Canadian restaurant stock

Restaurants have taken a huge hit due to the widespread lockdowns. **Restaurant Brands International** is a company that Buffett has retained a significant interest in. It owns and operates the fast-food chains Burger King, Tim Hortons, and Popeyes Louisiana Chicken. Shares of RBI have dropped 17% in 2020 so far.

The fast-food space is taking a hit due to the COVID-19 pandemic. However, large fast-food companies like RBI are well positioned to service customers without in-house traffic. Investors should bet on a strong bounce back ahead of the broader reopening. RBI stock last paid out a quarterly dividend of \$0.52 per share. This represents a solid 4.3% yield.

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