



Warren Buffett Owns These 2 Canadian Stocks: Should You?

Description

Warren Buffett isn't known for investing heavily outside of the United States. Sure, he's made some headline-grabbing plays in China, Israel, and the United Kingdom. But other than that, he's mostly stuck to his home turf. A quick look at **Berkshire Hathaway's** portfolio shows that all of Buffett's top 10 holdings are American companies.

That's especially remarkable when you consider that Buffett has stated he's "interested" in investing in foreign countries. Buffett and, even more so, his partner Charlie Munger, have stated many times that they see great opportunities outside of the States. Yet their portfolio tells a different story. Heavily U.S. based, it reveals Buffett's considerable preference for his country of origin.

When it comes to Canada, however, Buffett has no particular aversion. While not well publicized, his portfolio's Canadian holdings are substantial. In fact, the "Oracle" owns several hundred-million-dollar positions in two well-known Canadian companies. By all accounts, he's still holding onto these stocks after his famous Q1 selloff. The question is, should you hold them, too?

Suncor Energy

Suncor Energy ([TSX:SU](#))([NYSE:SU](#)) is one of Canada's largest energy companies. As of May 15, Buffett's filings showed that he held a \$255 million stake in it — or 1% of the company. Suncor's stock has had a terrible run this year. Down 46% year to date, it's been a loser for Buffett, who built up his position in late 2018 (the stock cost about \$40 in December that year).

The first quarter was a bad one for Suncor, which had to contend with falling oil prices and weak demand. In the quarter, the company lost \$309 million and [slashed its dividend by 55%](#). While there's no doubt that Suncor's business will recover from the present headwinds, there's no particular reason to believe that it will happen soon. If you're looking to copy Buffett, there are better picks to consider than SU.

Restaurant Brands International

Restaurant Brands International ([TSX:QSR](#))([NYSE:QSR](#)) is another Canadian stock that [Warren Buffett owns](#). This one is a fast-food conglomerate formed by the merger of Burger King and Tim Hortons. Later, it added Popeyes Louisiana Kitchen, which became a major growth driver for the company. Buffett owns a stake worth \$447 million, or 1.6% of the company.

In its most recent quarter, QSR delivered surprisingly decent results. Sales were flat, net income was down only modestly, and Popeyes's sales grew by an impressive 32%. These are solid results for a fast-food restaurant in the COVID-19 era.

One of the big features of the COVID-19 lockdowns has been the forced closure of restaurants. For sit-down restaurants, it's been devastating. For fast-food restaurants, that's been less the case, but they're still hurting. While QSR's earnings did decline in Q1, it was a relatively small percentage-wise decrease. This shows that the company has been doing well, even with all the headwinds coming from COVID-19.

Of Buffett's two favourite Canadian stocks, this one seems like the better buy.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. 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.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

Date

2025/08/24

Date Created

2020/05/26

Author

andrewbutton

default watermark

default watermark