These 2 Warren Buffett Stocks Are Seriously Attractive Right Now

Description

When it comes to buying, Warren Buffett has been sitting on his hands. But that doesn't mean you should follow in his footsteps, especially if you see value out there today. Two TSX-traded Warren Buffett stocks are looking quite attractive today, as they remain depressed following the coronavirus market crash.

Suncor Energy (TSX:SU)(NYSE:SU), Warren Buffett's preferred play on the Albertan oil sands, and **Restaurant Brands International** (TSX:QSR)(NYSE:QSR), fast-food kingpin and dividend-growth king, are in two industries that have been clobbered by coronavirus-induced lockdowns. The former name currently allows investors a shot at locking in a better cost basis than the Oracle of Omaha, and the latter, while mostly recovered, still reeks of value and is in a spot to surge out of this pandemic.

Both Suncor and RBI sport bountiful yields of 3.4% and 3.8%, respectively. The latter opportunity allowed investors a shot at locking in the outsized dividend, as shares nearly doubled off its March lows, and the former just ripped off the band-aid, slashing its dividend by 55% in a rush to shore up cash to better weather the coronavirus typhoon.

Without further ado, let's have a closer look at each Warren Buffett dividend stock to see which, if either, is deserving of a spot in your portfolio at today's juncture.

Suncor Energy

Yes, Suncor axed its dividend by more than half. But that doesn't mean that the company is unworthy of your portfolio. Many income investors view dividend cuts as unforgivable. Still, when it comes to Suncor, I believe there's a favourable risk/reward tradeoff to be had for those willing to forgive and scoop up shares of the Canadian oil sands player following the coronavirus-induced plunge in oil prices.

You see, Suncor was built to survive in a low oil price environment. And while management has done a terrific job of containing costs and battening down the hatches in this crisis, no firm in the oil patch is immune from a dividend cut should the industry continue to exhibit such weakness for extended duration of time.

Warren Buffett may or may not double-down on Suncor stock after its implosion, but you should, especially if you're looking for a risk-averse way to play a rebound in the oil patch. Suncor is in cash conservation mode right now, but as we escape this pandemic, higher oil prices could cause Suncor to deploy more cash to work across its compelling projects. And in such a scenario, I wouldn't be surprised to see a generous dividend hike.

Restaurant Brands International

Like Suncor, Restaurant Brands International took a major hit to the chin amid the coronavirus pandemic. Lockdowns and closed dining rooms took a toll on same-store sales comps (Popeyes continues to spread its wings, though), but as the economy reopens, the fast-food kingpin is due to see an abrupt rise in sales numbers.

And if the coronavirus can be contained (or eradicated) this year, I find it more than likely that sales numbers could shoot way higher than pre-pandemic levels, as consumers who are now sick of cooking at home look to dine in at their favourite fast-food firms without breaking the bank. We're also in a recession, and it's tough to match the value proposition offered by the likes of Restaurant Brands staple Burger King or fried chicken war combatant Popeyes.

For now, QSR stock looks undervalued and is a must-buy on any meaningful pullbacks. The stock sports a bountiful dividend that could grow at a double-digit rate annually over the long run.

CATEGORY

1. Coronavirus
2. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. NYSE:SU (Suncor Energy Inc.)
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Date
2025/08/26
Date Created
2020/06/16
Author
joefrenette