



Billionaires Can't Stop Buying These 3 Canadian Stocks

Description

Billionaires who've created their wealth through savvy investments deserve special attention. After all, these investors have spent decades honing their craft and digging into companies to uncover lucrative opportunities. They meet the definition of "smart money."

With that in mind, here are three stocks that billionaire investors have been scooping up over the past few months.

Billionaire 1: Prem Watsa

Canada's most famous investor has been betting on his own company. In a recent interview with the press, Watsa said his insurance/holding corporation, **Fairfax Financial Corp.** ([TSX:FFH](#)), was "[ridiculously cheap.](#)"

I agree. Fairfax has a broad portfolio of underrated assets that spread from India to South Africa. The company's stock price is now nearly on par with book value. However, this doesn't fully reflect the potential for future growth. Fairfax has enough cash flow not only to survive the ongoing crisis, but also to make many more billion-dollar deals that could accelerate value creation.

Watsa's track record speaks for itself. Over the past few decades, this value investor has performed just as well as Warren Buffett. His \$150 million bet on his own company deserves more attention from regular investors.

Billionaire 2: Bill Ackman

Hedge fund titan Bill Ackman has had an exceptionally good year. His bet against the stock market before the crisis erupted has delivered him an astounding 100-fold gain in a few months.

Now, the billionaire is deploying those funds into **Restaurant Brands Inc.** Ackman's track record with fast food and beverage companies is unparalleled. His bet on **Chipotle Mexican Grill** delivered stunning returns.

Now, Ackman owns 9.6% of Restaurant Brands. He isn't the only billionaire that controls a meaningful stake in the company. The firm is jointly owned by Warren Buffett and Brazilian billionaire Jorge Paulo Lemann. Three famous billionaires focused on one stock? That surely warrants attention from retail investors.

Billionaire 3: Paul Singer

Billionaire Paul Singer has made pre-emptive moves throughout this crisis. He dodged the market crash and has since been making bets on a prolonged recession. The billionaire also believes currencies will lose their value as governments across the world keep printing money.

To retain value, Singer recommends buying gold. The price of the precious metal should surge in terms of uncertainty and currency devaluation. He claims that gold is currently [multiple times more than its market price](#).

Canadian investors could probably add a gold exchange-traded fund to their portfolio. But **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD), the world's second-largest gold miner, is probably a better bet. The company's stock price is closely correlated with the price of gold and tends to perform much better than the commodity itself.

This year, the Barrick Gold's stock price is up 37%, while the price of gold is up only 24%. If gold surges later in 2020 or 2021, Barrick Gold could magnify the returns for shareholders. It's a top bet for several pension funds and hedge funds across the world.

Bottom line

Billionaires such as Prem Watsa and Paul Singer are betting on undervalued stocks and gold. Their track record speaks for itself. Retail investors should probably take note.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. TSX:ABX (Barrick Mining)
3. TSX:FFH (Fairfax Financial Holdings Limited)

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vraisinghani

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