



How to Invest Like Warren Buffett This Summer

Description

During market corrections, it is usually a good move to see what the top investors in the game are doing. Back in the spring, North American markets were still on the comeback trail following a sharp crash in March. At the time, I'd suggested that investors should find ways to [invest like Warren Buffett](#). Today, I want to look at what Buffett is doing now and explore other ways to follow his lead in 2020.

Warren Buffett is still playing it safe right now

Earlier this month, I'd discussed the [recent big bet](#) that Warren Buffett made on **Dominion Energy**. **Berkshire Hathaway** announced the \$9.7 billion deal for the company at the end of the United States holiday weekend. After the deal, Warren Buffett has continued to strike a conservative tone in what looks like an overvalued market.

Just because Buffett is playing it very safe doesn't mean that Canadian investors should sit on their hands right now. There are still some attractive discounts available on the **TSX** as we head into the month of August.

How you can still emulate the investing legend

Today, I want to look at three stocks that fit with the recent deal that Warren Buffett made for Dominion Energy. Moreover, I want to target stocks that align with his value investing mantra. That means we want to target high-quality companies with strong track records that are undervalued in this market. While this may seem like a tall order given the recent momentum, there are still some solid candidates out there right now.

Three TSX stocks that Warren Buffett might like right now

Imperial Oil ([TSX:IMO](#))(NYSE:IMO) explores, produces, and sells oil and natural gas in Canada. Its stock has dropped 32% in 2020 as of close on July 27. Shares are up 20% over the past three months.

In Q1 2020, the company reported a net loss of \$188 million, which was largely due to low quarter-end prices. Fortunately, oil and gas prices have managed to stage a gradual rebound into the late spring and summer.

It boasted a cash balance of \$1.4 billion at the end of the quarter, illustrating its strong liquidity position. Better yet, it maintained its quarterly dividend of \$0.22 per share.

Shares of Imperial Oil last had a price-to-earnings ratio of 10 and a price-to-book value of 0.7, putting the oil and gas giant in attractive value territory. It would be in line with Warren Buffett values to add this stock in late July.

Emera is a Nova Scotia-based utility. Companies that provide essential services have been a reliable target during the COVID-19 pandemic. Shares of Emera have been mostly flat in 2020 so far. The stock last paid out a quarterly dividend of \$0.6125 per share, representing a solid 4.4% yield.

Emera stock last possessed a favourable P/E ratio of 15 and a P/B value of 1.5. This is an established dividend payer worth trusting in 2020 and beyond.

Warren Buffett always has his eyes on the future. Canadian investors should look to stack renewable energy stocks this decade. **Polaris Infrastructure** is a Toronto-based renewable energy company. Its stock has climbed 18% in 2020 as of close on July 27.

Shares last had an attractive P/E ratio of 11 and a P/B value of 0.8. It also offers a quarterly dividend of \$0.15 per share, which represents a tasty 5.8% yield.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSEMKT:IMO (Imperial Oil Limited)
2. TSX:IMO (Imperial Oil Limited)

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