



Warren Buffett Investing: 3 Stocks to Buy in August

Description

Earlier this week, I'd explored how investors could look to [operate like Warren Buffett](#) in this uncertain market. Today, I want to look at three more stocks that fit within the Buffett investing style. Let's jump in.

How to follow up another big Warren Buffett bet

On July 27, **Berkshire Hathaway** revealed that it had purchased another \$400 million worth of **Bank of America** stock. This adds to its significant holdings in the top U.S. bank. Bank of America is Buffett's second-largest holding, closely behind the tech giant **Apple**. The vote of confidence in a top U.S. bank should pique investor interest in late July. To follow up this move by Warren Buffett, Canadian investors may want to snag a top Canadian bank stock.

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is the second-largest financial institution in Canada. Its shares have dropped 14% in 2020 so far. The stock has been mostly flat over the past three months. TD Bank boasts a massive footprint in the United States. Canada's southern neighbour is battling high COVID-19 rates, but that does not mean investors should stray away from exposure to U.S. assets.

Like its peers, TD Bank has faced huge challenges due to the COVID-19 pandemic. However, its earnings should pick up as North America reopens. It still possesses an immaculate balance sheet. Shares of TD Bank last had a favourable price-to-earnings (P/E) ratio of 10 and a price-to-book (P/B) value of 1.2. This fits with Warren Buffett's value investing philosophy. Better yet, TD Bank offers a quarterly dividend of \$0.79 per share. This represents a strong 5.2% yield.

Don't sleep on undervalued stocks

Back in May, I'd discussed why **Great Canadian Gaming** was a mouth-watering target for [investors seeking growth](#). The hospitality sector has been hit hard by the COVID-19 pandemic. Fortunately, casinos are starting to reopen and revamp their businesses across Canada. Changes will come, but casinos will remain profit machines. Warren Buffett advocates looking for high-quality companies that are undervalued. Great Canadian Gaming fits the bill.

Shares of Great Canadian Gaming last had a P/E ratio of 7.6. This puts the stock in very attractive value territory. I'm still very bullish on this gaming stock going forward.

Warren Buffett: Buy discounted energy stocks

The last big bet by Warren Buffett was a \$9.7 billion purchase of **Dominion Energy. Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is an energy stock that I'm still in love with as we look ahead to August. Its shares have dropped 12% in 2020 so far. However, the stock is up 5% month over month.

Enbridge released its second-quarter 2020 results on July 29. The energy infrastructure giant delivered another strong quarter for its shareholders. It reaffirmed its financial guidance range for 2020 of \$4.50 to \$4.80 Distributable cash flow (DCF) per share. Enbridge maintained its quarterly dividend of \$0.81 per share, which represents a tasty 7.4% yield. Moreover, the company has delivered dividend growth for 24 consecutive years.

On the value side, Enbridge last had a P/B value of 1.4. This puts it in solid value territory relative to industry peers.

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