



Invest Like Warren Buffett: 3 Stocks to Buy Today

Description

The Canadian and global markets were just starting to crawl out of a period of turmoil in early April. At the time, I'd [discussed how investors could emulate](#) Warren Buffett. The investing legend has been quiet and conservative during the COVID-19 crisis. However, he did draw attention for a bet on airlines that he would withdraw from later in the spring.

Today, I want to look at three stocks that fit within the Warren Buffett investing style right now. Let's dive in.

Warren Buffett: Bet on value on a micro and macro level

Warren Buffett is an advocate of value investing. Ideally, investors should be targeting high-quality companies that are fundamentally undervalued. Restaurants stocks have predictably suffered during the pandemic. However, fast-food operators fared better than their peers. **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)), which owns Burger King, Tim Hortons, and Popeyes, looks like a solid pick up today.

Shares of RBI have dropped 5.6% in 2020 as of close on August 5. The stock is down 22% from the prior year. RBI released its second-quarter 2020 results this morning. The COVID-19 pandemic hurt breakfast and coffee demand, which led to a 37% decline in quarterly profit. However, RBI reopened over 4,500 restaurants in the quarter. It is now at 93% capacity.

RBI stock last possesses a price-to-earnings (P/E) ratio of 24. This puts it better-than-average value territory compared to its industry peers. It offers a quarterly dividend of \$0.52 per share, representing a 3.7% yield.

Buffett's big bank bet

Warren Buffett's company **Berkshire Hathaway** has reportedly spent \$2.07 billion on **Bank of America** shares [dating back to the middle of July](#). In a regulatory filing on August 4, Berkshire said it paid \$337

million for BoA stock between July 31 and August 4. Fortunately, many top Canadian bank stocks are still undervalued.

Royal Bank is the largest bank in Canada. Its shares have dropped 5.6% in 2020 so far. However, the stock is up 11% over the past three months. Investors can expect to see its third-quarter 2020 results by the end of August. Like its peers, Royal Bank took a hit in the face of the pandemic in Q2 2020.

Shares of Royal Bank last had a favourable P/E ratio of 12 and a P/B value of 1.6. The bank last announced a quarterly dividend of \$1.08 per share. This represents a solid 4.6% yield.

Warren Buffett's top TSX energy stock

Energy stocks enjoyed a positive day on the TSX on August 5. **Suncor Energy**, which has struggled mightily in the face of the COVID-19 pandemic, saw its stock rise 2.89% on the same day. Warren Buffett has added to his Suncor holdings in recent years. The company has fought price volatility in the oil and gas sector, but investors should not turn their backs on this energy powerhouse.

Suncor stock last had a favourable P/B value of 0.9. It was forced to drop its quarterly dividend to \$0.21 per share in response to broader economic pressures. This represents a 3.8% yield.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:QSR (Restaurant Brands International Inc.)

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