



TFSA Investors: 2 Warren Buffett Stocks to Build Tax-Free Wealth!

Description

If you're looking for quality stocks to stash in your Tax-Free Savings Account (TFSA), there are plenty of picks worth looking at — so many that it can be hard to know where to start. The global markets contain thousands of individual stocks, with hundreds in Canada alone. Faced with vast array of choices, it's easy to get overwhelmed.

Of course, you can always buy an index fund, which gives you broad market exposure. However, if you're looking to take on a little risk for higher potential returns, you'll need to find investments that fit the bill. One of the best places to start is by looking at what respected investors hold.

By emulating the holdings of top investors, you may be able to replicate their returns. That doesn't guarantee you'll outperform, but it's a good place to start.

With that in mind, here are two Warren Buffett stocks to stash in your TFSA for tax-free gains.

Suncor Energy

Suncor Energy Inc ([TSX:SU](#))([NYSE:SU](#)) is one of Canada's largest energy companies. It extracts crude oil and sells gasoline at a network of *Petro-Canada* stations nation wide.

Warren Buffett has held SU stock on and off for several years. Recently, he increased his position in the stock—in a quarter where he'd mostly been selling stocks.

It's not hard to see why Buffett likes Suncor. It's a company with a solid economic moat, that's profitable as long as oil prices are solid, and that has a long track record of delivering value to shareholders. This company would be hit hard if oil prices were to decline again, but it's a good bet otherwise.

Barrick Gold

Barrick Gold Corp ([TSX:ABX](#))(NYSE:GOLD) was one of Warren Buffett's [most surprising investments in 2020](#). A long term gold naysayer, Buffett's **Berkshire Hathaway** picked up shares in Q2.

Technically, it may not have been Buffett who made the Barrick Gold purchase. "The Oracle" has two money managers working for him—[Todd and Ted](#)—who may have made the purchase. However, Buffett most likely was at least aware that they were investing in it, and he didn't intervene.

So, why this sudden change of tone on gold?

While it's impossible to say for sure, it could be a bet on continued fear. Buffett has gone on the record as saying that gold is a way to invest in fear, and fear is definitely on the rise. Between COVID-19, the recession, and various ongoing social issues, the world is in a tense place in 2020.

And it may remain there for a while. In such an environment, gold tends to rise—as it has this year. So Buffett's gold play may simply be a bet on long term social instability. That goes against everything Buffett said in the past. But in a year that's seen Buffett "sell the dip" and exit airlines completely, anything is possible.

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