



## Warren Buffett's 2 Biggest Canadian Buys in 2020

### Description

The year 2020 is undoubtedly one of the most action-packed years for stocks in decades. Just as the broader markets were unpredictable, legendary investor Warren Buffett also amazed market participants with his atypical moves this year.

### Warren Buffett and Berkshire Hathaway

First, Buffett has been a net seller this year whereas broader markets have sported one of the epic recoveries of all-times amid the pandemic. The Oracle of Omaha has played it extremely safe this year, despite having a huge cash hoard of around \$135 billion.

Warren Buffett-led **Berkshire Hathaway** (NYSE:BRK.A)(NYSE:BRK:B) sold stakes in airline stocks amid the pandemic-driven uncertainties early this year. Interestingly, many analysts and financial media are arguing that he is expecting a crash given his inclination over safe bets and mounting cash pile. However, that might not be the case. Warren Buffett and his team have notably increased positions in **Bank of America**.

Berkshire Hathaway has also been growing its position in Canadian energy titan **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)). The integrated oil company stock has fallen from \$43 to \$15 so far this year and has dug a deep hole in investors' pocket. Notably, energy markets might take longer to recover on the back of lower demand driven by the pandemic.

### Top TSX stocks amid the pandemic

However, Suncor Energy is a fundamentally strong company and pays a handsome dividend yield of 5.3%. Warren Buffett likes to invest in stocks that pay stable dividends over the long term. Additionally, Suncor might witness relatively faster recovery, given its large downstream operations. As crude oil prices normalize post-pandemic, Suncor Energy's financials might improve, [ultimately boosting its stock](#).

Another surprising move from Warren Buffett and his team was to initiate a position in **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD). Apart from equities, the yellow metal has also been at the centre stage for the last few months. Historically, Warren Buffett paid no heed to the bullion, mainly due to his liking for equities.

Barrick Gold is the second-biggest gold miner in the world. Higher realized gold prices have substantially boosted miners' earnings in the last few quarters. More importantly, with almost all central banks printing more and more money, and interest rates fixed close to zero, Buffett's actions imply that the gold has a long way to go.

Also, Barrick Gold has a strong balance sheet that has been trending towards a net-zero debt position in the last few years—another plus for investors like Buffett. The stock pays a stable yield of 1.1% and is up almost 60% so far this year.

## Buffett will have the last laugh with that cash hoard

Berkshire Hathaway [bought](#) its own stock worth more than US\$5 billion in the second quarter — yet another defensive move. Interestingly, this was the largest buyback by the investing conglomerate on record.

Berkshire Hathaway's huge cash hoard could be precious if the markets crash in the short term. However, a correction is more likely than a crash. Notably, Berkshire's cash balance will likely serve as padding for Warren Buffett's successor.

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### TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. NYSE:BRK.B (Berkshire Hathaway Inc.)
3. NYSE:BRKA (Berkshire Hathaway Inc.)
4. NYSE:SU (Suncor Energy Inc.)
5. TSX:ABX (Barrick Mining)
6. TSX:SU (Suncor Energy Inc.)

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