



Warren Buffett: Top 3 TSX Stocks to Buy Today

Description

In a virtual fundraiser this past week, United States presidential candidate Joe Biden said that he spoke with Warren Buffett on the country's leadership going forward. Buffett is renowned for his investing success and his unbridled optimism. Today, I want to look at three TSX stocks that qualify for the Warren Buffett seal of approval.

Warren Buffett's bet on gold boosted this TSX stock

The investing world was stunned in the summer when Warren Buffett's company **Berkshire Hathaway** added over \$500 million in **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) stock. Barrick is one of the largest gold producers in the world. Like its peers, it has thrived as the spot price of gold has soared in 2020. This TSX stock has climbed 55% in 2020 as of close on October 14.

In late August, I'd discussed whether Canadians should follow Warren Buffett's lead and [add gold stocks](#). The spot price of gold has lost some momentum since rising above the \$2,000 mark, but it has still put together an amazing run this year. Investors can expect to see Barrick's next quarterly report in early November.

Barrick stock last had a favourable price-to-earnings (P/E) ratio of 11 and a price-to-book (P/B) value of 2.3. Moreover, Barrick possesses a fantastic balance sheet. Gold may have more room to run in this uncertain environment. If it does, Barrick will continue to be a big beneficiary.

The investing legend is still in on this energy giant

Last week, I'd [discussed Warren Buffett's actions](#) when it comes to his top Canadian holdings in recent months. Interestingly, the investing legend has held on to a struggling TSX stock in the energy sector. **Suncor** ([TSX:SU](#))(NYSE:SU) stock has dropped 59% in 2020 so far.

The company is set to release its third-quarter 2020 results at the end of this month. In Q2 2020, Suncor delivered funds from operations of \$488 million or \$0.32 per share — down from \$3.00 billion

or \$1.92 per share in the previous year. On the plus side, oil prices have stabilized and even gained momentum lately due to U.S. crude inventory draw.

Shares of Suncor last had an attractive P/B value of 0.6. It last reduced its quarterly dividend to \$0.21 per share, representing a strong 5.1% yield. The energy sector is battling headwinds, but Suncor is a giant with staying power. There is a reason Warren Buffett is sticking with this TSX stock.

Why this TSX stock in banking fits the Warren Buffett mould

Warren Buffett may be the most influential value investor on the planet. He drew headlines in the summer with his bet on **Bank of America**, while dumping stocks in other American banks. As usual, this is a value play for Buffett rather than a move to expose himself to one sector. Canadians should do the same with TSX stocks that are undervalued.

Scotiabank is one of the Big Six Canadian banks. Its shares have dropped 18% so far this year. Earnings have been hammered, in part due to its struggling Latin American assets. Scotia will rely on more on its domestic holdings in the months ahead. This is not necessarily a bad thing. This TSX stock last possessed a P/E ratio of 9.8 and a P/B value of one. Scotiabank is in very attractive value territory. Moreover, it offers a quarterly dividend of \$0.90 per share. That represents a tasty 6.4% yield.

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