



## Warren Buffett Thinks These 2 Canadian Stocks Will SOAR!

### Description

Warren Buffett isn't known for investing in Canadian stocks. He prefers to buy what he knows, which results in him mostly sticking to his home turf. Nevertheless, he's made the odd TSX play here or there. The vast majority of his portfolio is still U.S. equities, but he's got some Canadian exposure in the mix. In fact, he's been actively increasing his position in some Canadian stocks this year. In this article, I'll be exploring two Canadian stocks that Warren Buffett thinks will soar.

### Suncor Energy

**Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) is an integrated oil and gas company that Buffett has bought and sold repeatedly over the years. His most recent purchase was this year, when the stock was around \$20. In 2018, he initiated a position when SU was around \$40.

Buffett is [down so far on both of these purchases](#). Suncor got rocked by the COVID-19 crisis this year, losing \$614 million in the second quarter. That's not the worst loss by an energy company this year by any means. As a percentage of revenue (\$4.2 billion), it's actually fairly small, although the operating loss (\$1.5 billion) was a lot bigger.

It's hard to say why Warren Buffett likes this stock so much. It is trading for less than book value, so it could be considered a value play. But if it keeps losing money, then obviously its tangible book value will evaporate over time. Overall, this probably isn't the best Buffett play to try copying in 2020.

### Barrick Gold

**Barrick Gold** ([TSX:ABX](#))([NYSE:GOLD](#)) is another TSX stock that Buffett picked up in 2020 — in this case, for the first time ever. When it was revealed this summer that Buffett purchased Barrick Gold, it created quite a stir. Buffett isn't known for love of gold stocks. In fact, he's spoken out *against* gold on many occasions. However, Barrick is undeniably profiting from this year's bullishness in gold. In its most recent quarter, it beat on both revenue and earnings, and its stock is up 49% year to date.

One theory about the Barrick purchase is that it [wasn't really Buffett's at all](#). Buffett has two other money managers — Todd Combs and Ted Weschler — working for him. They manage a certain percentage of **Berkshire's** assets independently. It's possible that one of them made the Barrick investment. In that case, it wasn't really Buffett who bought the shares. However, as the CEO, the buck stops with him. He could have prevented Todd or Ted from buying Barrick if he wanted to. So, it seems likely that his position on gold has softened at least a little.

## Foolish takeaway

Buffett has never been the biggest fan of Canadian stocks — or non-U.S. stocks in general. But that hasn't stopped him from buying a few this year. His overall results with these Canadian buys have been mixed. He's way up on his Barrick investment but losing money on Suncor. If there's anything we can take away from Buffett's Canadian purchases, it's that he's not bearish on Canada as a whole. Beyond that, there's little to be said.

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