



## Warren Buffett: 3 Dividend Stocks He Would Consider Buying

### Description

Investors all around the world have been hungry for guidance during this historic crisis. Warren Buffett was characteristically optimistic in the face of the looming pandemic earlier this year. However, the Oracle of Omaha has since pulled off some uncharacteristic moves, like **Berkshire Hathaway's** purchase of **Barrick Gold**. Warren Buffett is one of the most influential value investors in the world. Today, I want to look at three **TSX** stocks that fit within his value investing framework. Let's dive in.

### This bank stock fits Warren Buffett's value model

**Canadian Western Bank** ([TSX:CWB](#)) is a regional bank that has looked to expand further into eastern Canada in recent years. Its shares have dropped 12% in 2020. However, the stock rose 7.6% last week. Warren Buffett seeks value and quality. This stock ticks both of those boxes.

In Q3 2020, Canadian Western saw total revenue rise 4% to \$226 million. Loans jumped 5% to \$29.7 billion, while posting 10% growth in Ontario. Even better, branch-raised deposits increased 22% to \$16 billion.

Shares of Canadian Western last had a very favourable P/E ratio of 9.3 and a P/B value of 0.8. It also declared a quarterly dividend of \$0.29 per share. That represents a solid 4.3% yield.

### Another value stock to buy in the financial sector

**Manulife Financial** ([TSX:MFC](#))([NYSE:MFC](#)) is one of the largest insurance and financial services providers in Canada. This TSX stock has dropped 17% in 2020 as of close on November 13. Manulife is a quality company that is geared for long-term growth with its push into Asia. Moreover, its current value makes it an attractive buy if we're attuned with Warren Buffett's value investing model. Back in March, I'd suggested that investors target Manulife as a [value pick](#).

The company released its third quarter 2020 results on November 11. Core earnings fell 6% year-over-year to \$1.5 billion. Manulife's management was confident that it could weather this crisis on the back

of its robust balance sheet and strong business. There is still time for investors to add this stock for cheap.

Shares of Manulife possess a price-to-earnings ratio of 7.8 and a price-to-book value of 0.8. That puts this dividend stock in very attractive value territory. Moreover, it offers a quarterly dividend of \$0.28 per share. This represents a strong 5.3% yield.

## Warren Buffett special: Undervalued and top quality

Canada's housing sector has been [remarkably resilient](#) during the COVID-19 pandemic. Sales started to spike in the early summer and the market is still on a roll coming into November. **Genworth MI Canada** (TSX:MIC) is the largest private residential mortgage insurer in Canada. This is a stock that fits well into Warren Buffett's value investing mold. Its shares have dropped 11% so far this year.

In the third quarter of 2020, the company saw net income increase 12% year-over-year to \$124 million. Total premiums written climbed 36% to \$297 million. Genworth's management was pleased with results but warned of uncertainty ahead of the second wave of COVID-19 that is leading to lockdowns across the western world.

Genworth stock last had an attractive P/E ratio of 9.0 and a P/B value of 1.0. It offers a quarterly dividend of \$0.54 per share, which represents a 4.9% yield.

### CATEGORY

1. Investing

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2. TSX:CWB (Canadian Western Bank)
3. TSX:MFC (Manulife Financial Corporation)

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**Author**  
aocallaghan

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