



2 Stock Tips From Warren Buffett's Latest Moves

Description

Here are some of Warren Buffett's [latest moves](#) in Q3. They lead to some interesting **TSX** stocks that you should check out.

Warren Buffett's new stocks in big pharma

Large-cap pharmaceutical companies, including **AbbVie**, **Merck**, **Bristol-Myers**, and **Pfizer**, got Warren Buffett's stamp of approval, as the dividend stocks were added to **Berkshire Hathaway** as new holdings.

Here on the TSX, **Jamieson Wellness** ([TSX:JWEL](#)) stock recently corrected to a more attractive valuation. Currently, analysts think JWEL stock can revisit its recent high of close to \$45 for more than 26% near-term upside over the next 12 months from \$35 per share.

JWEL had its initial public offering in 2017. Since then, it's been raising its dividend. By doing this for a couple more years, it's going to become a Canadian Dividend Aristocrat!

Jamieson falls in the consumer staples sector, but it offers health-related products. Jamieson is the top vitamins, minerals, and supplements (VMS) brand that the company manufactures and markets in Canada and internationally.

The brand has a number one position domestically with a market share of 25% at food, drug, and mass stores, such as Superstore and London Drugs. Consumers can also choose to buy Jamieson's products online at **Amazon** and **Costco**.

Jamieson Wellness increased revenues by 6% in 2018 and 8% in 2019. Its trailing 12-month revenue accelerated to 13% perhaps due to people being more health conscious amid the pandemic.

Earlier this month, the company reported Q3 results and raised its 2020 guidance, expecting revenue to grow about 15%. Specifically, Q3 saw revenue and adjusted EBITDA growth of 19% and 18%, respectively, year over year.

The company on the look out for M&A and sees global growth opportunities in China and the United States. As of Q1, Jamieson already had a leadership position among international VMS brands with 21 products available for the market in China.

One of Buffett's largest positions

Bank of America (BAC) has become Buffett's second-largest position in Berkshire's stock portfolio. Buffett was able to upsize his BAC position by getting his hands on super-cheap shares through the exercise of warrants. Nonetheless, the large position suggests that he remains bullish on the U.S. economy.

Canadian investors can gain exposure to the U.S. economy through **Toronto-Dominion** ([TSX:TD](#)) ([NYSE:TD](#)) stock, which moved in tandem with BAC stock recently. Both stocks propelled more than 20% since the start of November.

TD has great exposure to the U.S. retail market. Approximately 36% of its customers reside in the United States. Additionally, it has about 18% more in U.S. deposits than it does domestically.

With about a third of its earnings coming from south of the border, TD Bank's bottom line will be lifted from a U.S. economic recovery, which saw GDP growth of 33% quarter over quarter — a marked difference versus Canada's 12% decline.

TD did decently well in an abnormal pandemic world with a trailing 12-month return on equity (ROE) of 10.7% versus its roughly 14% ROE in the past three years. These are better returns than BAC's.

By investing in TD stock over BAC, Canadian investors also enjoy receiving favourably taxed dividends in non-registered accounts. Furthermore, TD stock provides a bigger yield of 4.4% versus BAC's 2.5%.

The Foolish takeaway

JWEL may be a suitable stock for investors looking for above-average growth. [Conservative investors](#) might consider buying some fairly valued shares in wonderful business TD for income and stable growth in most years.

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2. TSX:JWEL (Jamieson Wellness Inc.)
3. TSX:TD (The Toronto-Dominion Bank)

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