



2 TSX Stocks That Buffett Is Buying

Description

Warren Buffett is not a fan of diversification, and he is a staunch believer in the U.S. economy and its potential to make him and other investors money in the long term. These two traits combined have resulted in a portfolio that's highly concentrated in the U.S.

But it's important to note that just because Buffett doesn't like diversifying, it doesn't mean he limits himself to a few specific sectors or industries. He buys anything and everything he understands and considers a good/profitable business. Similarly, his love of the U.S. economy doesn't stop him from reaching outside the borders to invest.

Buffett's first serious foreign investment was in China. After that, he invested in a Korean steel company, a U.K.-based retail company, a French Pharmaceutical company, and some other foreign businesses. He has also invested in two Canadian stocks.

A golden stock

One unique move that Buffett made during this pandemic was buying stock in a gold mining company, **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD). It's one of the largest gold and copper mining companies in the world and has 16 operating sites in 13 different countries. Barrick is a Toronto-based company. It was founded in 1983 by Peter Munk.

Buffett bought about 21 million shares in [the company](#) (worth about US\$ 564 million). That was around the time when gold was surging. This move came as a surprise to many since Buffett has always shunned gold as an excellent long-term investment. But he didn't hold on to his whole stake for a long time and trimmed it down in the third quarter.

If you are thinking about following Buffett's footsteps and hedging your portfolio with gold, Barrick might be a good place to start. It also pays dividends, though the yield is just 1%.

The oil sands giant

Suncor ([TSX:SU](#))([NYSE:SU](#)) is [one of the largest](#) energy companies in the world and an oil sands giant. It's competitive edge and dominance with these unconventional oil deposits is probably one of the things that attracted Buffett to this Canadian energy giant. When Buffett bought the company in 2018 (for the second time), it was still a dividend aristocrat.

During the pandemic, when the oil crisis reached its peak, this beloved Dividend Aristocrat had to end its 18-year dividend growth streak. It still pays dividends to its investors, and the current yield is 3.6%. Buffett still hasn't let go of his stake in Suncor, even after the company slashed its dividends, which is a bit perplexing.

He doesn't mind selling at a loss if he believes that a business is no longer a good long-term holding, as evident from his airline exodus.

But if we consider his recent investment in **Dominion Energy**, it seems that Buffett still believes in the energy sector.

Foolish takeaway

As a Canadian investor, it's understandable to be curious about Buffett's Canadian investments. But just because Buffett has these companies in his portfolio doesn't mean they should be in your portfolio as well.

If you believe in the energy sector's long-term recovery, then Suncor can be a good bet, but it's also risky. Similarly, Barrick Gold might be a good short-term holding when the stock market is turbulent.

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Author

adamothonman

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