



Warren Buffett: A Canadian Stock He Should Buy More of in 2021

Description

Warren Buffett is the greatest investor of our generation. While **Berkshire Hathaway** has been in a slump as of late, having vastly underperformed the **S&P 500** for well over a year, I think Buffett and company will come out on top over the long haul, after the dust has had the chance to settle with this [pandemic](#), its disruptions, and potential long-lived side effects as a result of all this stimulus.

While many of Warren Buffett's critics may claim that the man has lost his edge, having not backed up the truck with Berkshire's mountain of cash in the ominous market depths of March and April, I think it's a mistake to conclude that the man is behind the times or that he's "lost it" in the new age of technological disruption.

Billionaire hedge fund manager Bill Ackman may have thrown in the towel on his shares of Berkshire, citing Buffett's relative inactivity during the February-March market crash. Still, I think it's a mistake to count the Oracle of Omaha out after a tough year or ignore his buys, especially those made on this side of the border.

Warren Buffett hasn't lost his investment edge yet!

You see, Warren Buffett has adapted with the times, as demonstrated by his huge stake in **Apple**. While I'm sure he's had help from his top associates with picking stocks in the age of technological disruption, where few [moats](#) of incumbent players are completely safe from erosion, it would be unwise to count Buffett or Berkshire out, just because they've fallen into a bit of a slump. Warren Buffett and his firm have risen out of funks in the past and have more than made up for lost time, likely after most of his critics threw in the towel on him and Berkshire.

With current Warren Buffett-owned **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) plunging viciously in recent months, the name may be worth a second look before Warren Buffett has a chance to announce he's added to his stake in future filings.

Simply put, if Warren Buffett liked shares of the oil kingpin before they nosedived to new depths, he must love them today, now that shares are off considerably from their all-time highs. Of course, we can

only speculate whether Buffett is really looking to buy dips in either stock. Regardless, I am a fan of SU stock's risk/reward going into what looks to be a much brighter year for the fossil fuel stocks.

Suncor Energy: A Canadian energy darling at a slight discount to book

Suncor Energy is Warren Buffett's preferred way to play the Albertan oil patch, and for a good reason: its integrated operations are gushing with cash, with a robust balance sheet. Following Suncor's unprecedented 2020 dividend cut, Suncor is now on firm financial footing, making it equipped to outlast its peers in the event of a worst-case scenario.

Now that the end of the COVID pandemic is in sight, oil prices have begun to stage a recovery. In the post-pandemic world, I wouldn't rule out WTI prices surging to (or potentially above) the US\$60 mark. Suncor will be in excellent shape at such a level and could be poised to hike its dividend at a generous rate, as conditions in the ailing Albertan oil patch finally have a chance to normalize.

Even if WTI prices continue treading water due to the profound rise of renewable energy plays, I still think Suncor has a wide margin of safety, given shares trade at a near 10% discount to book value.

I have no idea if Warren Buffett will add to his stake in Suncor. But if I were in his shoes, I'd definitely think about buying SU stock on the dip.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:SU (Suncor Energy Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

Tags

1. Editor's Choice

Date

2025/09/22

Date Created

2021/01/01

Author

joefrenette

default watermark

default watermark