



1 Warren Buffett Move You'd Be Wise to Follow

Description

Warren Buffett was cautiously optimistic through 2020, to say the least. The coronavirus pandemic rattled the man; he did more than his fair share of selling, and he even dipped a toe in the world of gold with miner **Barrick Gold** for a few quarters. Still, despite the profound [uncertainties](#), the Oracle of Omaha kept buying. As his right-hand man, Charlie Munger, puts it, "Sometimes the tide is with us, and sometimes against. But we keep swimming either way."

Although Munger and Buffett may not be backing up the truck with **Berkshire Hathaway's** cash pile, they're still staying the course, betting big on the bargains that eventually come drifting by. Warren Buffett says to never bet against America, and investors would be wise to heed the man's words of wisdom, even when the circumstances are dire, as they were through most of 2020.

Some of Warren Buffett's most striking bets, I believe, came in the fourth quarter. The man placed huge bets on **Chevron** and **Verizon** worth US\$4.1 billion and US\$8.6 billion, respectively. That's no small bet. Both dividend stocks are beaten up and appear to be great bets, given the strange environment we find ourselves in.

Bond yields are preposterously low, and fixed-income investors are going to need to get their yield elsewhere. By insisting on purchasing shares of companies at discounts to their intrinsic value range, one maximizes their margin of safety. And that's really what matters in the world of investments. An argument can be made that battered big oil stocks like Chevron and bruised telecoms like Verizon are bond proxies that can cure the yield woes of today's bond and GIC investors.

How to follow Warren Buffett to higher yields

You could echo Warren Buffett move for move with a stake in Chevron and Verizon. But by doing so, you'd probably be paying a Buffett premium of some unknown amount. A better way to follow Buffett, I believe, is to look to the names on this side of the border. **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) and **BCE** are Canadian ways to play Warren Buffett's renewed bullishness on big oil and telecom.

Let's have a closer look at the former play that Warren Buffett has been an active buyer and seller of

over the years.

Suncor Energy: Still reeks of value!

Suncor Energy was Buffett's preferred way to play the Albertan oil sands, and I still think the stock is worth buying, even as the Oracle moves on to other opportunities. Fellow Fool contributor Chris MacDonald is a raging bull on shares of Suncor. He points out that Suncor stock is still a strong buy, even as Buffett trims his stake.

"I believe there's lots of value with Suncor right now. Accordingly, I think Buffett's original value thesis when he bought this stock is better than ever." wrote [MacDonald](#).

I couldn't agree more. I pounded the table on Suncor at \$15, and I'm continuing to do so at \$26 and change. The 3.22% dividend yield remains bountiful and is a great way for income investors to fight back against absurdly low bond yields and GIC rates.

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