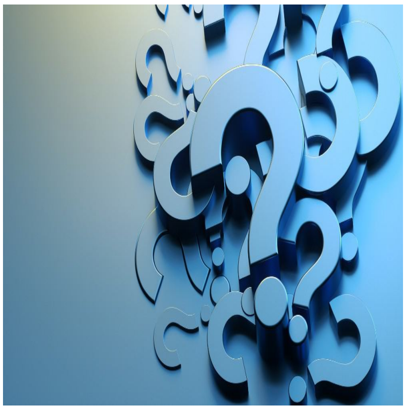

Why Did a Big Investor Sell These 2 Canadian Stocks?

Description

One of the problems that many investors face is that they only try to learn from the success stories. They observe the best-performing picks of institutional or other more seasoned investors and try to mimic those picks as well. But this prevents them from seeing the whole picture.

When you are learning from the investment moves of legendary investors like Warren Buffett, it's not just their picks and buys that you should try and learn from but also their exits and failures. It might help you understand which businesses you should stay away from.

Warren Buffett's Canadian exits

In the last few years, Buffett has ended his stake in two Canadian companies: **Restaurants Brands International** (TSX:QSR)(NYSE:QSR) and **Barrick Gold** (TSX:ABX)(NYSE:GOLD).

Buffett's investment in a gold-mining company was confusing to begin with, but the investment decision made sense at the time. Gold performs well when the market is sinking. If Buffett wanted to boost his portfolio just a tiny bit by leveraging the short-term gold-related burst, Barrick Gold was in a good enough position to offer it.

Once it served its purpose, it's possible Buffett considered it deadweight in his portfolio, with no positive long-term prospects. Despite it being one of the country's largest mining companies, Barrick's market value fluctuates almost parallel to gold prices. Buffett has never been a fan of the shiny metal, so it was surprising that he bought it in the first place.

Restaurants Brands's exit is often cited as a hasty move on Buffett's part, which was probably triggered by the fact that for the last few years, the sales of Tim Hortons have been slipping. In 2020, only Popeyes, the smallest of the three underlying brands of RBI, showed any promise.

A Canadian stock Buffett hasn't sold

One Canadian company Buffett is still holding on to is the oil sands giant **Suncor** (TSX:SU)(NYSE:SU). The company has a significant competitive edge in the energy sector, which is its access to the oil sands and relevant production/refining facilities. The synthetic crude from oil sands would be a significant competitive edge once the relatively easier to refine shale reserves are depleted, but right now, it's an expensive resource.

The company is trying for a production capacity of one million barrels of oil equivalent per day, which will make it one of the most significant oil producers in the world. Buffett, unlike many who believe that the future of oil is bleak, still leans towards energy stocks. That's probably one of the reasons he hasn't exited his Suncor position.

Foolish takeaway

Suncor stock is currently dipping. It has fallen almost 12.5% from its yearly peak. If you want to emulate Buffett and create a position in this energy giant that might have a bright future, you may want to buy the dip. A lower share price will also help you lock in a better yield. The company has a strong dividend history; if you ignore the recent blemish of slashing its dividends, and it might start rewarding its investors generously once the sector fully recovers.

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