



## Warren Buffett Probably Made a Mistake by Ditching Suncor: Don't Follow Him!

### Description

It's been a rather strange past few years for [Warren Buffett](#), who recently sold out of his **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) stake after trimming away at the position through the quarters. The stock has been dragging its feet for quite some time. The drastic reduction to the dividend probably wasn't seen in a [positive light](#) by the Oracle of Omaha and his colleagues over at **Berkshire Hathaway**.

Warren Buffett said in his annual meeting with shareholders that he doesn't see an abundance of bargains these days. Markets are looking pretty richly valued, and the man hasn't been very aggressive with his bets. Heck, the last 13F filing revealed a considerable amount of selling in the latest quarter.

Moreover, the Oracle of Omaha's time horizon has also dropped by a ridiculous amount over the past two years. The man known for sound long-term investing has gotten in and out of stocks in just months.

## 2020 was a tough year for the Oracle of Omaha

Whether we're talking about the airlines, Suncor Energy stock, or **Chevron** stock, it's clear that Buffett's definition of long term has shrunk at least of late.

Now, Buffett is still a long-term investor at heart, but for those looking to follow the man move for move, the risks of doing such have undoubtedly increased. Warren Buffett seems more likely to buy shares of name, only to take profits off the table in just a few months down the road. The man doesn't want you to follow him, though. He's made it clear that investors should follow their own paths, and just because a stock is right for him doesn't mean it'll be right for most young, beginner investors.

The airline stocks he disposed of back in 2020 were timely buys for individual investors. Given that Warren Buffett didn't want to jeopardize the prospects of a government bailout, it's understandable why the man threw in the towel when he did. Retail investors didn't have the same problem, and if they followed Buffett out of airline stocks, they missed out on a glorious run, locking in steep losses for no good reason.

## Suncor no longer has Warren Buffett's blessing, but you should buy anyway

When it comes to Suncor stock, I think investors should go against Warren Buffett's latest move by loading up on shares. There's no telling when the man will be back in the name or the reasons why he disposed of the stock. Regardless, Suncor is a screaming bargain in a rather frothy market.

I was not a fan of Warren Buffett's decision to sell the airlines earlier last year. And I'm certainly not a fan of the Oracle's latest move to ditch Suncor with shares trading at around 1.2 times book value. If that's not cheap, then I don't know what is.

Suncor is the same [wonderful](#) business it was when Warren Buffett was a buyer of shares. All that changed is the macro backdrop, which has become more favourable, and the dividend, which had been slashed nearly in half.

## Suncor's dividend has a ton of room to run

A 3% dividend yield is on the low end for battered energy producers. That said, I think the odds of a massive double-digit dividend hike over the next year is high. As such, income investors should be buying, even if Buffett is now completely out of the name.

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