



Warren Buffett Sold All of This 1 Canadian Stock

Description

[Warren Buffett](#) does not seem to be very fond of Canadian companies. His Canadian holdings have been sporadic, and relatively few lasted for a decent amount of time. When it comes to Buffett, the long term is calculated in decades and not in years. Whatever Canadian holdings Buffett had, he has slowly shed them away over the last few years, and the latest victim of this “spring cleaning” is **Suncor** ([TSX:SU](#))([NYSE:SU](#)).

Warren Buffett and energy stocks

Warren Buffett has historically looked favourably upon energy stocks. Examples would be his recent **Dominion Energy** play and the fact that he pitched a backup power plan to Texas based on natural gas. But his recent 13F filings indicate that he might be changing his stance on the sector.

Buffett recently trimmed his energy holdings — most noticeably Canada-based, king of the oil sands Suncor. The ax also fell on **Chevron**, as Buffett slashed the holding in half, but he completely let go of his Suncor stake. The move might seem harsh to many investors who like to emulate Buffett’s sales and purchase patterns but also don’t want to let go of an energy giant like Suncor, which has a dominant position in the sector and a major competitive advantage.

While Buffett didn’t exactly provide a justification for the move, but it’s not difficult to connect the dots between the pressure **Berkshire Hathaway** is facing because of its [ESG](#) profile and the move to sell two fossil fuel giants. Also, Buffett had already trimmed the Suncor stake down to a mere fraction of its original stake, so a complete exit is not as big a leap as you might think.

Should you get rid of Suncor as well?

The answer is no if you are only doing it because Warren Buffett did and yes if you are slowly transforming your portfolio for a greener future. Suncor is [an oil giant](#), and while the economy of oil is not going away overnight, a change *is* coming, and fossil fuel companies might get left behind.

If we consider the stats for the U.S.'s oil consumption (the most avid oil-consuming country in the world), 66% was in transportation and 28% was in industrial. And while the world isn't moving to electric vehicles fast enough, the technologies and solutions around electric-driven transportation are improving. In a few years, a decent number of electric vehicles will replace conventional gasoline-based vehicles, and the demand will naturally start to slump.

2020 showed us how a significant (albeit temporary) slump could devastate the energy sector. If we spread out that slump over the course of years, the sector *will* have time to adjust, but it might not be enough to cultivate comparable alternative demand.

Foolish takeaway

Suncor is currently trading at a 37% discount from its pre-pandemic peak, and the revenues are still in a slump. It will take the company some time to turn things around (financially). But, more importantly, the company will have to spend more time earning the investor trust it lost when it slashed its dividends. Suncor might be [a good buy](#) if you believe the stock can recover and reward you in capital gains.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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

Date

2025/09/11

Date Created

2021/05/28

Author
adamothonman

default watermark

default watermark